

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**OF THE**

**ALPINE SCHOOL DISTRICT**

**575 North 100 East**

**American Fork, Utah 84003**

**For the Fiscal Year Ended**

**June 30, 2006**

**JoDee Sundberg, President of the Board**  
**Dr. Vernon M. Henshaw, Superintendent**  
**Robert W. Smith, Business Administrator**

**Prepared By:**  
**The Accounting Department**  
**Greg P. Holbrook, C.P.A.**  
**Assistant Business Administrator and Director of Accounting**

## **Alpine School District Board of Education**

### **Mission Statement**

The Mission of Alpine School District is to educate all students to ensure the future of our democracy.

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# I. INTRODUCTORY SECTION

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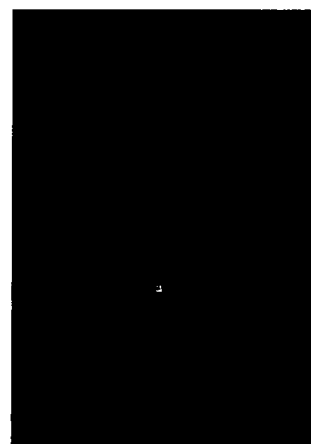


## ALPINE SCHOOL DISTRICT

575 NORTH 100 EAST, AMERICAN FORK, UTAH 84003-1758 (801) 756-8400

DR. VERNON M HENSHAW, SUPERINTENDENT

November 1, 2006



*Dr. Vernon M. Henshaw  
Superintendent of Schools*

To President Sundberg, Members of the Board of Education, and  
the Citizens of the Alpine School District:

State law requires that school districts publish within five months of the close of each year a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. This report is published to fulfill that requirement for the fiscal year ended June 30, 2006.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that it has established for this purpose. The cost of internal controls should not outweigh their benefits. The District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Squire & Company, PC, a firm of licensed certified public accountants, has issued an unqualified ("clean") opinion on the District's financial statements for the year ended June 30, 2006. The independent auditor's report is located at the front of the financial section of this report. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report. The District also receives a report regarding compliance with state programs as required by the *State of Utah Legal Compliance Audit Guide* from the District's independent auditor.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction with it.

### *District profile*

The District was created by a resolution of the Utah County Commissioners on June 24, 1915. The District is a legally separate entity enjoying all rights and privileges accorded political subdivisions in the State of Utah. The District is fiscally independent. Policymaking and legislative authority are vested in the Board of Education consisting of seven members. The Board of Education is responsible, among other things, for developing policy, adopting the budget, levying taxes, incurring bonded debt, supervising committees, and hiring both the superintendent and business administrator. The superintendent and business administrator are responsible for carrying out the policies of the Board of Education and oversee the day-to-day operations of the District. The



Board of Education is elected on a non-partisan basis. Board members serve four-year staggered terms with no more than four board members elected every two years.

The major purpose of the District is to provide public education for those who reside within the boundaries of the District located in the northern portion of Utah County, Utah. To accomplish this purpose, as of Fall 2006, the District services seven traditional high schools, ten junior high schools, and 46 elementary schools. This District offers a full range of student services including special education programs and vocational education programs. The District also offers two special purpose programs: Alpine Transition & Employment Center (a sheltered workshop for students with disabilities) and Dan Peterson (a self-contained school for the disabled). The District also operates an alternative high school, East Shore High School that also houses Summit (a youth in custody facility). In addition, the District operates an Adult High School program that is currently housed by the Mountainland Applied Technology Center.

The District served 54,773 students as measured on the October 1, 2005 fall enrollment count.

Based on information from the U.S. Department of Education, National Center for Education Statistics, the District is estimated to be the 78th largest public school district for the 2005-2006 year. As a result of the District's rapid growth, the District has moved from 99<sup>th</sup> to 78th since the 1998-1999 year. There are more than 15,000 school districts in the nation.

The National Center for Education Statistics reports that "the highest per-pupil expenditure for 2003-2004 [The latest information available] among the 100 largest districts was \$17,652 in Newark City; the lowest was \$4,413 in the Alpine School District". In fact, only five of the 100 largest districts had per-pupil expenditures less than \$5,763, and four were in Utah. During fiscal year 2004 Alpine School District fell below the funding levels of Puerto Rico.

Per Pupil Expenditures			
100 Largest Districts in the United States and Jurisdictions:			
Fiscal Year 2004			
			Per
			Pupil
District	State	Enrollment	Expenditures
5 Highest Spending Districts			
Newark City	NJ	42,395	\$17,652
Boston School District	MA	62,141	13,730
District of Columbia Public Schools	DC	68,449	13,328
New York City Public Schools	NY	1,049,831	11,920
Atlanta City School District	GA	56,586	11,435
5 Lowest Spending Districts			
Davis School District	UT	59,366	\$4,692
Granite School District	UT	72,135	4,595
Jordan School District	UT	73,517	4,520
Puerto Rico Dept of Education	PR	584,916	4,459
Alpine School District	UT	48,326	4,413

The Utah State Office of Education reports that the District has the least net current expenditure per student in the State for the fiscal 2005 year. Utah has the least current expenditure per student in the nation.

In summary, the demographics of the District are unique, being one of the fastest growing and least funded districts in the nation.

### *Local economy*

The District is dependent upon state aid, providing 60.8% of government-wide revenues during 2006. Government-wide per pupil revenue increased by \$376, primarily due to a \$150 increase in state funding. Government-wide per pupil expense increased by \$324.

Utah's economy grew strongly during 2005. For the second year in a row, the state outperformed the nation, with job growth of 4.0% compared to 1.5%. The State of Utah has been able to conclude each year since 1988 with a general fund surplus.

The Governor's Office of Planning and Budget reports the following summary: Utah's economy continues to accelerate and is expected to enjoy strong growth throughout 2006. After two years of solid performance, Utah appears poised to repeat the long expansion of the 1990s. Strong growth in the construction and professional and business services sectors, as well as in exports and defense spending, strengthened the Utah economy in 2005. In 2005, there were estimated 510,000 students in Utah's public education system, a 2.9% increase over 2004. Enrollment in 2005 increased by 14,300 students: 8,500 due to Utah's high birthrate and 5,800 because of migration, the largest increase due to net in-migration in history. These students are becoming increasingly diverse, and score respectably with their national peers.

Fixed operational costs of new schools are a major impact on the District's budget. Harvest Elementary, Ridgeline Elementary and Fox Hollow Elementary were completed the fall of 2006. The District's annual operational fixed costs to open one elementary school are estimated at \$0.5 million.

District taxable property values in tax year 2005 increased 8.8% compared to an increase of 6.1% in 2004. The 8.8% increase in 2005 was a result of 4.9% new growth and 3.9% increase in reappraisal.

The state 2006 school finance program is designed to provide every Utah school district with a basic operation program of \$2,280 per weighted pupil unit (WPU) compared to \$2,182 per WPU in 2005.

### *Long-term financial planning*

The state's population is projected to grow from 2.6 million in 2005 to 2.8 million in 2010, 3.5 million by 2020, 4.1 million in 2040, and will reach 5.4 million by 2050.

**Student growth.** Based on information from Utah's Bureau of Vital Records, the District expects the kindergarten enrollment to continue to increase because the birth rate has continued to climb for the Utah County areas served by the District. The District also expects migration into the District to remain strong and projects an additional 8,600 students within the next five years measured from October 2006 to October 2010. Enrollment projections consider birth rates, migration, and the number of students attending charter schools and private schools.

On May 8, 2001, in response to continued growth, patrons voted by a (55% margin) to authorize the District to issue \$200 million of general obligation school building bonds. With the issuance of \$35,815,000 of general obligation bonds during fiscal 2005, the District has now completed this \$200 million authorization.

Charter schools are increasing the degree of uncertainty in projecting student growth. Currently there are six charter schools within the District's boundaries enrolling 2,165 charter students. Charter schools are independent of the District and are primarily funded by the state. The State Board of Education has authorized 4 additional charter schools within District boundaries that opened the fall of 2006 with student capacities of 2,475 students. Charter schools will have a major impact on the placement and need for additional schools to accommodate growth in northern Utah County.

The District has been a leader in the state in the use of portable classroom units. As populations of students have shifted, the District has experienced significant savings in transportation and capital outlay costs by using portable classrooms. The District has approximately 330 classrooms comprised of trailers and portable units, representing

the equivalent of 10 elementary schools. It is more cost efficient to not build permanent student housing for peak student enrollments. As student populations decline in the Orem area, the use of portable classrooms has avoided the necessity of closing unneeded facilities. As charter schools increase the uncertainty in predicting student enrollments, portable classrooms are considered as an option to deal with peak enrollment in the northern end of the District.

Most of the growth of the District has occurred in the past 30 years. Approximately two thirds of the total square footage of buildings in the District has been constructed after 1974. As a result, the District is primarily composed of newer buildings that require less ongoing maintenance. Many of the older buildings in the District have recently been remodeled to upgrade plumbing, electrical and energy efficiency. This remodeling has been financed with bond proceeds. Overall with the recent upgrades, the older buildings in the District functionally are in excellent condition. However, those buildings built before 1975 need to be evaluated for seismic concerns. It may be more cost effective to rebuild certain schools rather than to bring them up to current seismic standards. Many of the older buildings that are candidates to be replaced in the District are in the Orem area. See page 110 and 111 for detailed capital asset information.

**Postemployment benefits.** Certain employees are eligible to receive postemployment healthcare benefits. The District currently finances these benefits primarily as healthcare premiums are paid. However, new accounting standards effective for the 2008 fiscal year require recognition of expenses associated with benefits as they are earned. New accounting standards change the way postemployment benefits (OPEB) must be disclosed in the financial statements. Like pension benefits, government entities will show the cost of the benefit when it is earned rather than when it is paid. Differences between costs and funding must be disclosed. Annual contributions can be invested and set aside in a trust to provide for the OPEB benefit.

The District commissioned actuarial studies over the last three years to determine the annual cost and the magnitude of the unfunded obligation. The August 2006 study indicated a range of accrued medical actuarial liabilities from \$165.2 million to \$227.8 million based on a range of a 4% to 6% discount rate. The annual required contributions (ARC) indicated a range of \$11.5 to \$15.9 based on a range of a 4% to 6% discount rate.

In an effort to manage the liability as shown in the August 2006 study, retirement insurance benefits for employees hired on or after March 1, 2006 were eliminated.

Postemployment benefits for existing employees were also capped based on longevity as of March 1, 2006. Employees who were hired prior to March 1, 2006 and who have not previously retired, now have the following maximum postretirement insurance benefit for themselves and their eligible dependents based on years of experience in the District as of July 1, 2006 as follows:

1-10 years service in Alpine	4 years of insurance
11-19 years service in Alpine	5 years of insurance
20 or more years service in Alpine	6 years of insurance

Dependent and spouse insurance benefits may be earned by employees who meet all qualifications for retirement insurance incentives and requires current, consecutive years of experience in Alpine School District as follows:

15 years of service in Alpine	4 years of insurance
20 years service in Alpine	5 years of insurance
25 years service in Alpine	6 years of insurance

The District will conduct an additional actuarial study in December 2006 to evaluate the full effect of the above changes. The elimination of post retirement insurance benefits for new employees and capping of benefits of existing employees resulted in a 20% reduction in employees receiving the benefit in the first year. This action combined with the elimination of the life supplemental medical insurance coverage for employees hired after June 30, 1995 will have a significant impact on the future ARC necessary to fund this liability. Based on the December 2006 study, the District will explore further options and continue active discussions with employee

groups addressing possible changes in benefits that would limit future obligations and discussing possible funding options.

### ***Relevant financial policies***

During 2006 the District obtained better detail regarding property tax information from Utah County. Accordingly, personal property tax information is reported separately from real property tax information. Personal property tax revenue is recognized at the time the County collects it. Therefore, a portion of personal property tax revenue is now recognized earlier than in prior years. The effect of this update resulted in a \$2.1 million adjustment of additional revenue in 2006 in the governmental funds. As a budget policy, the District does not use one time funds for on-going District operations.

### ***Major initiatives***

On November 7, 2006 the District will ask local voters to approve a \$230 million bond plus voted leeway that would allow the District to meet existing operation and maintenance costs, and plan for future growth. The following projects are proposed:

#### **Alpine School District**

Proposed Bond Projects  
2007-2111

<b>Project Name</b>	<b>City</b>	<b>Type</b>
New high school	Lehi / Saratoga Springs	New construction
Two new middle schools	North and west area of District	New construction
Five new elementary schools	North and west area of District	New construction

#### **HIGH SCHOOL DIVISION – Major Addition and Remodel**

Orem HS	Orem	Reconstruction / rebuild
Pleasant Grove HS	Pleasant Grove	Major addition / renovation Additional classroom wing and labs
Lone Peak HS	Highland	New gym / recreation facility & parking - possible joint project with Highland, Cedar Hills and Alpine Cities.
Mountain View HS	Orem	New gym addition

#### **MIDDLE / JUNIOR HIGH SCHOOL DIVISION - Major Addition and Remodel**

American Fork Junior HS	American Fork	New auditorium / renovate existing auditorium
Lakeridge Jr / Middle	Orem	New media center and office space / renovate existing media into classrooms
Orem JR	Orem	Addition / renovate lunchroom and kitchen / improve gym seating and space
Pleasant Grove JR	Pleasant Grove	Addition / renovate lunchroom

#### **ELEMENTARY DIVISION - Major Addition and Remodel**

Highland EL	Highland	Classroom addition / renovation
Eagle Valley EL	Eagle Mountain	Classroom addition / renovation
Shelley EL	American Fork	Classroom addition / renovation
Greenwood EL	American Fork	Classroom addition / renovation
Sego Lily EL	Lehi	Classroom addition / renovation

Meadow EL  
Dan Peterson EL

Lehi  
American Fork

Classroom addition / renovation  
Classroom addition / renovation

#### OTHER PROJECTS AND ACQUISITIONS

Land  
Multiple  
Multiple

Not designated  
Multiple  
Multiple

Property  
Seismic upgrades  
Electric / data rewiring

The proposed increase in voted leeway tax rate is .0003. The leeway tax provide for operational costs such as heating, lighting and essential personnel of opening new schools. In addition, leeway funds would be used to support professional development including the mentoring of new teachers.

#### *Awards and acknowledgements*

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the year ended June 30, 2005. The Certificate of Achievement is a prestigious national award-recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement for Excellence, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. *This is the twenty-third year that the District has received this prestigious award.* We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

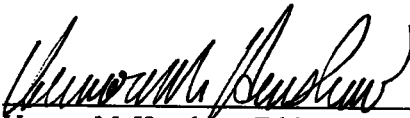
The District also received the Association of School Business Officials (ASBO) International's Certificate of Excellence in Financial Reporting for the Comprehensive Annual Financial Report for the year ended June 30, 2005.


This award certifies that the report substantially conforms to the principles and standards of financial reporting as recommended and adopted by the Association of School Business Officials International.

The award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials and is also valid for a period of one year. *Alpine School District is one of the few districts in the nation that has received the ASBO Certificate of Excellence for twenty-four or more years.*

The timely preparation of this report was accomplished through the efficiency and dedication of the business department staff. We would like to express appreciation to all members of the department who assisted in the preparation of this report. Special appreciation is expressed to Greg Holbrook, Director of Accounting, who did most of the work in preparation of this report. Appreciation is expressed to Shelli Humes of the graphic department for printing. Credit also must be given to members of the Board of Education for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,

  
Vernon M. Henshaw, Ed.D.  
Superintendent of Schools

  
Robert W. Smith  
Business Administrator



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Alpine School District,  
Utah

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2005

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Carla E. Perry*

President

*Jeffrey R. Enen*

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

**ALPINE SCHOOL DISTRICT**

**For its Comprehensive Annual Financial Report (CAFR)  
For the Fiscal Year Ended June 30, 2005**

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Interim Executive Director



**Alpine School District  
List of Elected and Appointed Officials  
June 30, 2006**

**Elected Officials**

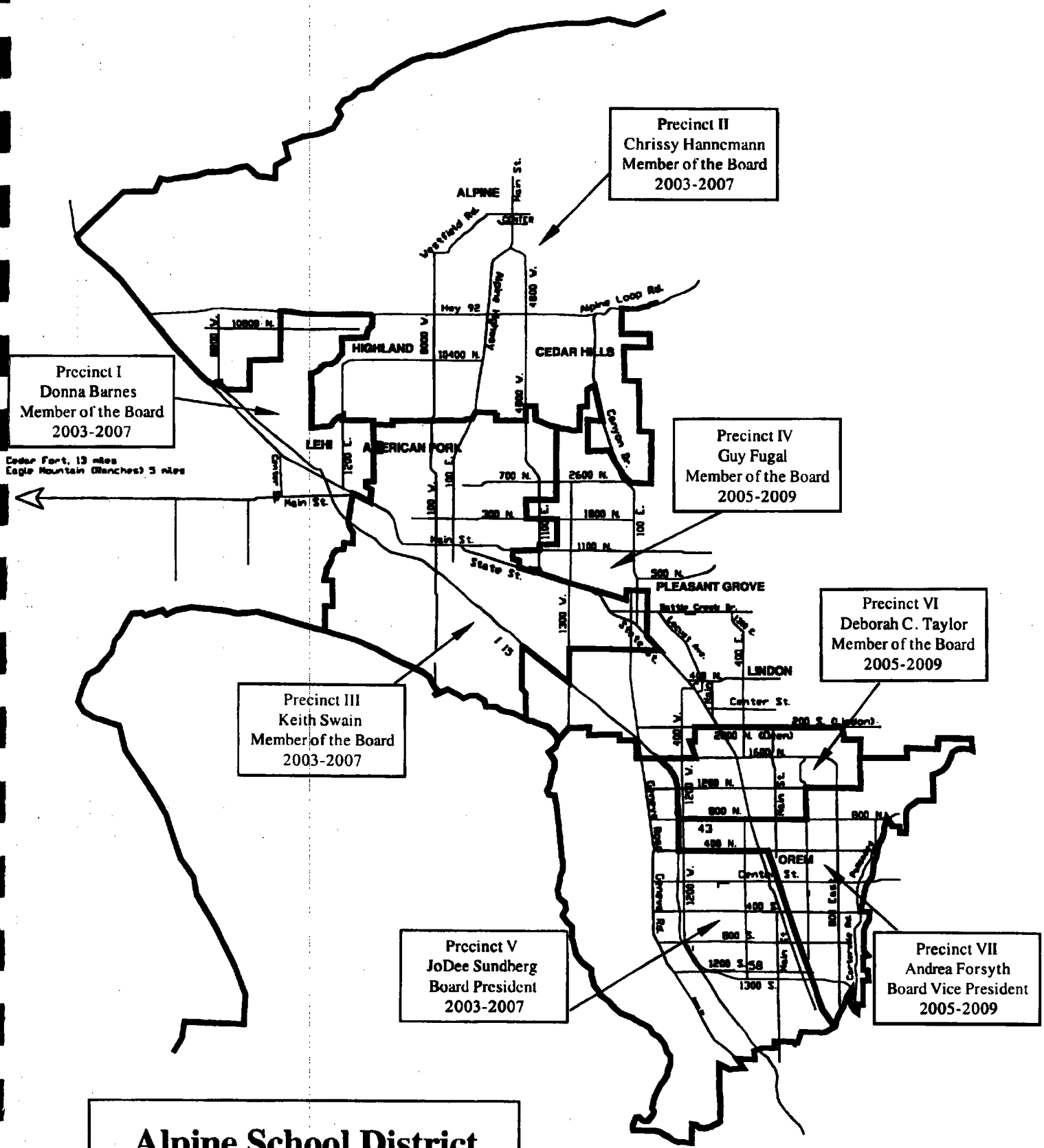
<u>Members of the Board of Education</u>	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Donna F. Barnes Precinct I	January 2003	January 2007	January 2003
Christine M. Hannemann Precinct II	January 2003	January 2007	January 2003
Keith G. Swain Precinct III	January 2003	January 2007	January 2003
Guy L. Fugal Precinct IV	January 2005	January 2009	January 1993
JoDee C. Sundberg President of the Board Precinct V	January 2003	January 2007	January 1999
Deborah C. Taylor Precinct VI	January 2005	January 2009	January 2005
Andrea L. Forsyth Vice President of the Board Precinct VII	January 2005	January 2009	January 1997

**Appointed Officials**

	<u>Present Term Began</u>	<u>Present Term Expires</u>	<u>Initial Appointment</u>
Vernon M. Henshaw* Superintendent	July 2006	June 2008	July 2000
Robert W. Smith* Business Administrator	January 2006	January 2008	August 2002

The term of office for a board member is four years, beginning on the first Monday in January following the November election.

\*The term of office of the Superintendent and Business Administrator is two years.



**Precinct I**  
Donna Barnes  
Member of the Board  
2003-2007

**Precinct II**  
Chrissy Hannemann  
Member of the Board  
2003-2007

**Precinct IV**  
Guy Fugal  
Member of the Board  
2005-2009

**Precinct VI**  
Deborah C. Taylor  
Member of the Board  
2005-2009

**Precinct III**  
Keith Swain  
Member of the Board  
2003-2007

**Precinct V**  
JoDee Sundberg  
Board President  
2003-2007

**Precinct VII**  
Andrea Forsyth  
Board Vice President  
2005-2009

**Alpine School District  
Precincts of the  
Board of Education**

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## II. FINANCIAL SECTION

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## Independent Auditor's Report

Board of Education  
Alpine School District

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alpine School District (the District), as of and for the year ended June 30, 2006, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of District management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Alpine School District as of June 30, 2006, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 8, 2006 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's discussion and analysis, which follows this report, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Aguirre & Company, P.C.*

September 8, 2006

## Management's Discussion and Analysis

This section of Alpine School District's (District) comprehensive annual financial report presents management's discussion and analysis of the District's financial performance during the year ending June 30, 2006. Please read it in conjunction with the transmittal letter found on pages 1 to 6 of this report and the District's basic financial statements, which follow this section.

### Financial Highlights

- The District's assets exceeded liabilities by \$162.3 million at the close of the most recent fiscal year.
- During the year, expenses were \$14.5 million less than the \$330.9 million generated in taxes and other revenues for governmental activities.
- The District continues to grow at a steady pace. Student enrollment increased by 1,948 students to a total of 54,773 students as of October 1, 2005. State aid increased accordingly by \$15.1 million or by \$150 per student. Federal aid increased by \$4.2 million, federal revenue per student increased by \$63. Property tax revenues increased \$8.5 million primarily as a result of increases in property tax rates and growth of taxable property.
- The cost of various District construction projects underway for the year ended June 30, 2006 are projected at a total cost of \$33.0 million. Harvest Elementary, Ridgeline Elementary and Fox Hollow Elementary were completed the fall of 2006 at a combined cost of \$31.6 million. The schools are located in the Saratoga Springs, Highland, and Lehi areas.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the assets and liabilities of the District, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the net assets of the District changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 24 and 25 of this report.

**Fund financial statements.** A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, the debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other four governmental funds are combined into a single, aggregated presentation. Individual fund data for the governmental funds is provided in the form of *combining and individual fund statements and schedules* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 26 to 52 of this report.

- **Proprietary funds.** The District maintains one proprietary fund type. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses two internal service funds to account for services provided to all the other funds of the District: the industrial insurance fund and the student services fund. The internal service funds have been included within *governmental activities* in the government-wide financial statements.

The two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report. The basic proprietary fund financial statements can be found on pages 33 to 35 of this report.

- **Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the governmental entity. Fiduciary funds are *not* reflected in the government-wide financial statement because the District cannot use these funds to finance its operations.

The District uses an agency fund to account for resources held for student activities and groups. The basic fiduciary fund financial statement can be found on page 36 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 37 to 52 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the basic financial statements. Combining and individual fund statements and schedules can be found on pages 54 to 83 of this report.



## Government-wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$162.3 million at the close of the most recent fiscal year.

### ALPINE SCHOOL DISTRICT'S Net Assets

June 30, 2006 and 2005

(in millions of dollars)

	Governmental activities		Total change 2006-2005
	2006	2005	
Current and other assets	\$ 209.3	\$ 231.6	\$ (22.3)
Capital assets	378.0	355.9	22.1
Total assets	587.3	587.5	(0.2)
Other liabilities	141.6	131.8	9.8
Long-term liabilities outstanding	283.4	307.9	(24.5)
Total liabilities	425.0	439.7	(14.7)
Net assets:			
Invested in capital assets, net of related debt	105.2	81.9	23.3
Restricted	28.1	38.0	(9.9)
Unrestricted	29.0	27.9	1.1
Total net assets	\$ 162.3	\$ 147.8	\$ 14.5

- The largest portion of the District's net assets (65%) reflects its investment in capital assets (e.g., land, water stock, furniture, buildings and improvements, and equipment net of accumulated depreciation), less any related outstanding debt (general obligation bonds payable and obligations under capital leases less unspent bond proceeds) used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.
- An additional portion of the District's net assets (17%) represents resources that are subject to external restrictions on how they may be used. The majority of the restricted balance is for capital projects.
- The remaining balance of *unrestricted net assets* (18%) may be used to meet the District's obligations to students, employees, and creditors and to honor next year's budget.

At the end of the current fiscal year, the District is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

Restricted net assets decreased by \$9.9 million during the year ended June 30, 2006. This decrease resulted primarily from spending resources available in the capital projects funds.

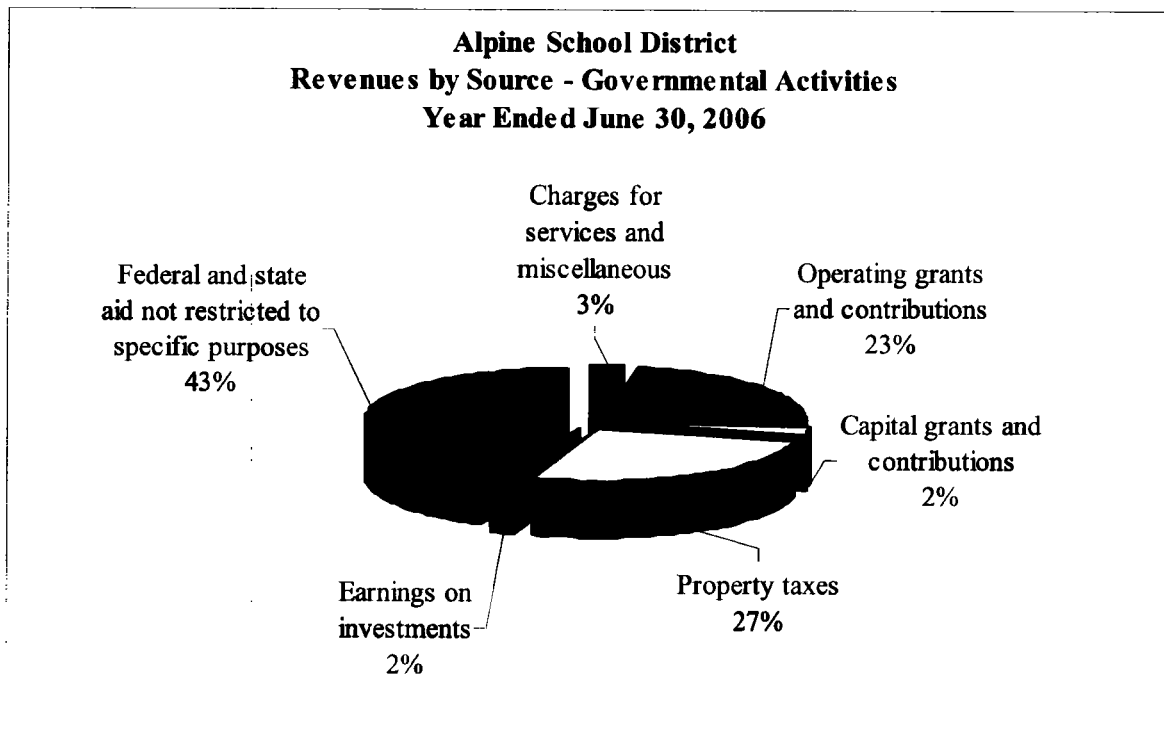
The District's net assets increased by \$14.5 million during the current year. The following discussion and analysis on governmental activities focuses on this increase:

**ALPINE SCHOOL DISTRICT'S Changes in Net Assets**  
**Years Ended June 30, 2006 and 2005**  
(in millions of dollars)

	Governmental activities		Total change
	2006	2005	2006-2005
<b>Revenues:</b>			
Program revenues:			
Charges for services	\$ 9.3	\$ 8.1	\$ 1.2
Operating grants and contributions	76.9	69.4	7.5
Capital grants and contributions	8.0	7.6	0.4
General revenues:			
Property taxes	87.7	79.2	8.5
Federal and state aid not restricted to specific purposes	141.0	129.7	11.3
Earnings on investments	5.8	3.4	2.4
Miscellaneous	2.2	1.9	0.3
Total revenues	<u>330.9</u>	<u>299.3</u>	<u>31.6</u>
<b>Expenses:</b>			
Instructional services	210.2	189.8	20.4
Supporting services:			
Students	7.5	7.1	0.4
Instructional staff	14.0	12.3	1.7
District administration	1.0	1.0	-
School administration	16.0	15.3	0.7
Business	1.5	1.4	0.1
Operation and maintenance of facilities	23.6	21.4	2.2
Transportation	10.9	9.8	1.1
Central	4.0	3.8	0.2
School lunch services	14.5	13.1	1.4
Interest on long-term liabilities	13.2	13.1	0.1
Total expenses	<u>316.4</u>	<u>288.1</u>	<u>28.3</u>
Excess of revenues over expenses	14.5	11.2	3.3
Special item - gain on sale of land and buildings	-	2.8	(2.8)
Increase in net assets	14.5	14.0	0.5
Net assets - beginning	147.8	133.8	14.0
Net assets - ending	<u>\$ 162.3</u>	<u>\$ 147.8</u>	<u>\$ 14.5</u>
<b>Revenue per pupil:</b>			
Local	\$ 1,917	\$ 1,754	\$ 163
State	3,676	3,526	150
Federal	449	386	63
Total revenue per pupil	<u>\$ 6,042</u>	<u>\$ 5,666</u>	<u>\$ 376</u>
Expense per pupil	<u>\$ 5,777</u>	<u>\$ 5,453</u>	<u>\$ 324</u>
Student Population	<u>54,773</u>	<u>52,825</u>	<u>1,948</u>

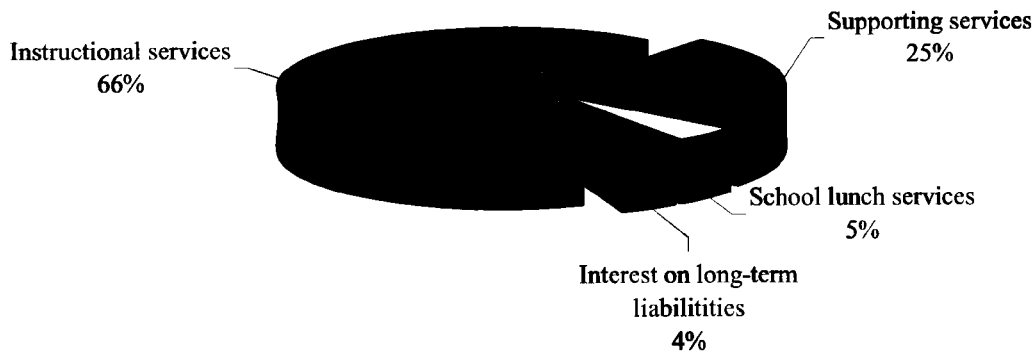
**Governmental activities.** The key elements of the increase in the District's net assets for the year ended June 30, 2006 are as follows:

- The largest net dollar increase in revenues is from State aid. A \$15.1 million increase in State aid was primarily from student growth and a cost of living adjustment. State aid is based primarily on weighted pupil units (WPU) and other appropriations. If a student is in membership a full 180 days, the state awards the District one WPU. The state guarantees that if local taxes do not provide money equal to the amount generated by the WPU, the state will make up the difference with additional state funding. Certain students receive a WPU greater than one. The value of the WPU increased by 4.5% during the year ended June 30, 2006 (\$2,280 during 2006 as compared to \$2,182 in 2005).
- An \$8.5 million increase in property tax revenue was due to new growth. The levy for the payment of general obligation debt increased by a rate of .000375 to pay for bonds issued as previously approved by voters.
- Government-wide per pupil revenue increased by \$376 as compared to a \$193 increase in 2005. Government-wide per pupil expenses increased by \$324 as compared to a \$212 increase in 2005.



- Instructional services represent the largest dollar increase in expense of \$20.4 million due to an increase of 97.0 additional full-time equivalent teachers for new growth of 1,948 students, increases in salaries, and increases in health care insurance premiums.

**Alpine School District**  
**Expenses by Function - Governmental Activities**  
**Year Ended June 30, 2006**



### Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. The capital projects fund balance decrease of \$33.2 million is explained primarily by the expenditure of \$32.1 million on construction of new school buildings and purchase of land. The general fund balance decreased by \$2.0 million resulting in a year-end balance of \$29.6 million. This decrease reflects the plan to reduce benefit liabilities. In addition, the following other changes in fund balances should be noted:

- Expenditures for general District purposes totaled \$253.6 million, an increase of 10.6% during the current fiscal year. This compares to a 7.8% increase in 2005. Instructional services represent 70.5% of general fund expenditures.
- General fund salaries totaled \$155.5 million; the associated employee benefits of retirement, social security, and insurance (health and accident, industrial, and unemployment) added \$77.9 million to arrive at 92.01% of total general fund expenditures.

Governmental funds report the differences between their assets and liabilities as fund balance, which is divided into reserved and unreserved portions. Reservations indicate the portion of the District's fund balances that are not available for appropriation. The unreserved fund balance is, in turn, subdivided between designated and undesignated portions. Designations reflect the District's self-imposed limitation on the use of otherwise available expendable financial resources in governmental funds. Undesignated balances in the general fund are required by state law to be appropriated in the following year's budget. Fund balances of debt service, capital projects, and other governmental funds are restricted by state law to be spent for the purpose of the fund and are not available for spending at the District's discretion.

The \$29.6 million fund balance of the general fund is primarily designated for the following purposes:

- *Designation for undistributed reserve* of \$10.3 million or 3.9% of general fund budgeted expenditures. As allowed by state law, the District has established an undistributed reserve within the general fund; this amount is set aside for contingencies or possible reductions in state funding and is not to be used in the negotiation or

settlement of contract salaries. The maintenance of a sufficient reserve is a key credit consideration in the District's excellent bond rating of Aa2 given by Moody's Investor Service.

- *School allocation for textbooks.* The District has designated \$1.2 million of current resources available to schools for the purchase of textbooks in the subsequent year.
- *Designation for employee benefits.* The District has designated a portion of the general fund's unreserved fund balance for compensated absences (\$1.7 million), early retirement incentive (\$1.3 million), health care benefits for those who elect early retirement (\$10.7 million) and post retirement health benefits of (3.5 million).

### **General Fund Budgetary Highlights**

During the year, the Board revised the District's budget. Budget amendments were to reflect changes in programs and related funding. The difference between the original budget and the final amended budget was an increase of \$14.1 million or 5.7% in total general fund expenditures to provide for new programs and increases in existing programs.

During the year, final budgeted revenues were more than original budgetary estimates by \$7.7 million or 3.1%, primarily due to increases in property taxes, federal and state aide.

Even with these adjustments, actual expenditures were \$7.6 million less than final budgeted amounts. The most significant positive variances were \$4.7 million in instructional services and \$1.6 million in supporting services instructional staff. On the other hand, resources available for appropriation were \$3.4 million below the final budgeted amount. Variances primarily result from expenditure-driven federal and state grants that are included in the budgets at their full amounts. Such grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met; unspent grant amounts are carried forward and included in the succeeding year's budget. Therefore, actual grant revenues and expenditures are normally less than the amounts budgeted.

### **Capital Asset and Debt Administration**

**Capital Assets.** The capital projects fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing educational programs for all students within the District. The cost of various District construction projects underway for the year ended June 30, 2006 are projected at a total cost of \$33.0 million. Harvest Elementary, Ridgeline Elementary and Fox Hollow Elementary were completed the fall of 2006 at a combined cost of \$31.6 million. The schools are located in Saratoga Springs, Highland and Lehi areas. The District also is completing various remodeling projects at a cost of \$1.4 million.

The District is experiencing a shift in student population to the northern section of the District. In response to this shift, temporary classrooms are moved to accommodate housing needs until permanent school buildings can be constructed. The District has a total inventory of 105 trailers and 16 modular units that supply 330 portable classrooms representing approximately 407,000 square feet.

Capital assets are outlined below:

**ALPINE SCHOOL DISTRICT'S Capital Assets**  
**June 30, 2006 and 2005**  
(net of accumulated depreciation, in millions of dollars)

	Governmental activities		Total change
	2006	2005	2006-2005
Land	\$ 38.8	\$ 37.3	\$ 1.5
Construction in progress	28.2	21.0	7.2
Water stock	0.7	0.8	(0.1)
Buildings and improvements	300.6	288.3	12.3
Furniture and equipment	9.7	8.5	1.2
Total capital assets	<u>\$ 378.0</u>	<u>\$ 355.9</u>	<u>\$ 22.1</u>

Additional information on the District's capital assets can be found in Note 4 to the basic financial statements.

**Debt Administration.** On May 8, 2001, the public voted (by a 55% margin) to authorize the District to issue \$200.0 million of general obligation school building bonds for new school construction, land acquisitions, and renovation of existing school facilities and related equipment and improvements. This debt authorization was sought to meet the rapid student growth expected over the next four to eight years.

On February 8, 2005, the District issued an additional \$35.8 million of general obligation school building bonds completing the full \$200 million authorization.

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. The legal debt limit at June 30, 2006 is \$637.2 million. General obligation net direct debt at June 30, 2006 is \$278.6 million (see table below), resulting in an estimated additional debt-incurring capacity of \$358.6 million.

**ALPINE SCHOOL DISTRICT'S Outstanding Debt**  
**June 30, 2006 and 2005**  
(net of accumulated amortization, in millions of dollars)

	Governmental activities		Total change
	2006	2005	2006-2005
General obligation bonds	\$ 269.8	\$ 292.8	\$ (23.0)
Deferred amounts for issuance premium	11.9	13.1	(1.2)
Deferred amounts on refunding	(3.1)	(4.3)	1.2
Total bonds payable, net	<u>\$ 278.6</u>	<u>\$ 301.6</u>	<u>\$ (23.0)</u>

Although it is not unusual for governments to have a 30-year bond payoff schedule, the District maintains an aggressive schedule to retire all of its general obligation bonds by 2018.

The District received upgrades from Moody's Investors Service in 1992 to A1, in 1998 to Aa3, and in 2002 to Aa2.

Additional information on the District's long-term debt can be found in Note 8 to the basic financial statements.

Charter schools are having an impact on District enrollment numbers. Charter school enrollment within District boundaries for the year ended June 30, 2006 was 2,165. The State Office of Education lists an additional four charter schools that opened within District boundaries the fall of 2006.

Because of the open space available for new construction and the close proximity to Salt Lake City, the District has been experiencing migration into the District for the past 15 years.

### **Requests for Information**

This financial report is designed to provide a general overview of Alpine School District's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Business Administrator, Alpine School District, 575 North 100 East, American Fork, UT 84003.

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## Basic Financial Statements

**ALPINE SCHOOL DISTRICT****Statement of Net Assets**

June 30, 2006

	<b>Governmental Activities</b>
<b>Assets:</b>	
Cash and investments	\$ 94,374,828
Receivables:	
Property taxes	100,182,299
Other local	1,107,251
State	739,271
Federal	7,715,916
Notes receivable	2,638,979
Inventories	1,129,453
Bond issuance costs, net of accumulated amortization	1,445,316
Capital assets:	
Land, construction in progress, and water stock	67,732,431
Other capital assets, net of accumulated depreciation	310,258,119
Total assets	<u>587,323,863</u>
<b>Liabilities:</b>	
Accounts payable	5,241,068
Accrued interest	3,653,695
Accrued salaries	25,216,267
Deferred revenue:	
Property taxes	96,867,985
Other local	583,182
State	10,061,629
Federal	938
Noncurrent liabilities:	
Portion due and payable within one year	26,443,821
Portion due and payable after one year	<u>256,993,888</u>
Total liabilities	<u>425,062,473</u>
<b>Net Assets:</b>	
Invested in capital assets, net of related debt	105,191,516
Restricted for:	
School lunch	4,661,920
Non K-12 programs	231,996
Alpine Transition & Employment Center	31,638
Foundation	2,231,089
Debt service	3,975,993
Capital projects	16,985,677
Unrestricted	<u>28,951,561</u>
Total net assets	<u><u>\$ 162,261,390</u></u>

The notes to the basic financial statements are an integral part of this statement.

# ALPINE SCHOOL DISTRICT

## Statement of Activities

Year Ended June 30, 2006

Activities and Functions	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
<b>Governmental activities:</b>					
Instructional services	\$ 210,181,919	\$ 1,457,000	\$ 57,937,899	\$ 8,077,381	\$ (142,709,639)
Supporting services:					
Students	7,469,016	-	1,977,801	-	(5,491,215)
Instructional staff	13,962,178	13,390	1,018,733	-	(12,930,055)
District administration	1,084,328	-	-	-	(1,084,328)
School administration	16,019,661	-	308,366	-	(15,711,295)
Business	1,487,000	-	165,283	-	(1,321,717)
Operation and maintenance of facilities	23,623,378	-	703,805	-	(22,919,573)
Transportation	10,869,267	686,303	5,954,620	-	(4,228,344)
Central	3,993,885	-	161,501	-	(3,832,384)
School lunch services	14,542,698	7,096,973	8,685,510	-	1,239,785
Interest on long-term liabilities	13,211,871	-	-	-	(13,211,871)
Total school district	<u>\$ 316,445,201</u>	<u>\$ 9,253,666</u>	<u>\$ 76,913,518</u>	<u>\$ 8,077,381</u>	<u>(222,200,636)</u>
<b>General revenues:</b>					
Property taxes levied for:					
Basic state supported program for regular K-12 instruction					18,669,113
Voted leeway for regular K-12 instruction					13,708,772
School board leeway for class size reduction					4,222,258
Special transportation					1,921,182
Tort liability					336,478
Recreation					1,161,392
Debt service					37,685,555
Capital outlay for buildings and other capital needs					227,937
Ten percent of the basic for supplies and capital needs					9,790,429
Federal and state aid not restricted to specific purposes					140,991,167
Earnings on investments					5,782,639
Miscellaneous					2,204,514
Total general revenues					<u>236,701,436</u>
Change in net assets					14,500,800
Net assets - beginning					<u>147,760,590</u>
Net assets - ending					<u>\$ 162,261,390</u>

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2006**

	Major Funds			Other	Total
	General	Debt Service	Capital Projects	Governmental Funds	Governmental Funds
<b>Assets:</b>					
Cash and investments	\$ 56,040,860	\$ 5,550,012	\$ 24,140,098	\$ 7,584,801	\$ 93,315,771
Receivables:					
Property taxes	43,566,293	35,650,881	19,556,668	1,408,457	100,182,299
Other local	893,026	-	122,343	91,882	1,107,251
State	114,417	-	-	624,854	739,271
Federal	7,555,084	-	-	160,832	7,715,916
Notes receivable	-	-	2,638,979	-	2,638,979
Due from other funds	80,640	-	-	29,943	110,583
Inventories	-	-	-	537,706	537,706
<b>Total assets</b>	<b>\$ 108,250,320</b>	<b>\$ 41,200,893</b>	<b>\$ 46,458,088</b>	<b>\$ 10,438,475</b>	<b>\$ 206,347,776</b>
<b>Liabilities and fund balances:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 1,634,832	\$ -	\$ 3,402,348	\$ 36,952	\$ 5,074,132
Accrued salaries	25,216,267	-	-	-	25,216,267
Due to other funds	29,943	-	-	80,640	110,583
Deferred revenue:					
Property taxes	43,081,508	35,153,992	19,432,559	1,394,059	99,062,118
Other local	108,146	-	-	475,036	583,182
State	8,627,694	-	109,741	1,324,194	10,061,629
Federal	938	-	-	-	938
<b>Total liabilities</b>	<b>78,699,328</b>	<b>35,153,992</b>	<b>22,944,648</b>	<b>3,310,881</b>	<b>140,108,849</b>
<b>Fund Balances:</b>					
Reserved for:					
Encumbrances	21,043	-	595,288	-	616,331
Notes receivable	-	-	2,638,979	-	2,638,979
Inventories	-	-	-	537,706	537,706
Construction commitments	-	-	4,806,202	-	4,806,202
Unreserved:					
Designated, reported in:					
General fund for:					
Undistributed reserve	10,300,000	-	-	-	10,300,000
School allocation for textbooks	1,184,837	-	-	-	1,184,837
Compensated absences	1,692,337	-	-	-	1,692,337
Early retirement incentive	1,317,260	-	-	-	1,317,260
Early retirement health benefits	10,706,155	-	-	-	10,706,155
Post retirement health benefits	3,538,281	-	-	-	3,538,281
Capital projects for:					
Micron development	-	-	702,604	-	702,604
Special revenue funds for:					
Compensated absences	-	-	-	29,214	29,214
Schools	-	-	-	2,061,394	2,061,394
Undesignated, reported in:					
General fund	791,079	-	-	-	791,079
Debt service fund	-	6,046,901	-	-	6,046,901
Capital projects fund	-	-	14,770,367	-	14,770,367
Special revenue funds	-	-	-	4,499,280	4,499,280
<b>Total fund balances</b>	<b>29,550,992</b>	<b>6,046,901</b>	<b>23,513,440</b>	<b>7,127,594</b>	<b>66,238,927</b>
<b>Total liabilities and fund balances</b>	<b>\$ 108,250,320</b>	<b>\$ 41,200,893</b>	<b>\$ 46,458,088</b>	<b>\$ 10,438,475</b>	<b>\$ 206,347,776</b>

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**June 30, 2006**

<b>Total fund balances for governmental funds</b>	<b>\$ 66,238,927</b>
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Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 38,826,532	
Construction in progress	28,186,732	
Water stock	703,466	
Buildings and improvements, net of \$154,103,160 accumulated depreciation	299,785,457	
Furniture and equipment, net of \$12,814,226 accumulated depreciation	9,491,590	376,993,777

Some of the District's property taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds.	2,194,133
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Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.	(3,653,695)
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Bond issuance costs are reported as expenditures in the governmental funds. The cost is \$2,079,173 and accumulated amortization is \$633,857.	1,445,316
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Internal service funds are used by management to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets at year-end are:	2,464,242
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Long-term liabilities that pertain to governmental funds, including bonds payable, are not due and payable in the current period and therefore are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets. Balances at year-end are:

Bonds payable	(269,840,000)	
Unamortized premiums	(11,826,441)	
Deferred amounts on refunding	3,083,943	
Obligations under capital leases	(1,800,000)	
Compensated absences payable	(1,721,552)	
Early retirement payable	(1,317,260)	(283,421,310)

<b>Total net assets of governmental activities</b>	<b>\$ 162,261,390</b>
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The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended June 30, 2006**

	<b>Major Funds</b>			<b>Other</b>	<b>Total</b>
	<b>General</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Governmental Funds</b>	<b>Governmental Funds</b>
<b>Revenues:</b>					
Property taxes	\$ 39,058,492	\$ 37,880,191	\$ 10,070,108	\$ 1,167,391	\$ 88,176,182
Earnings on investments	3,028,338	570,516	1,851,413	310,168	5,760,435
School lunch sales	-	-	-	7,096,973	7,096,973
Other local sources	3,312,627	-	291,909	1,408,268	5,012,804
State aid	189,232,495	-	8,119,824	3,990,907	201,343,226
Federal aid	17,058,571	-	-	7,555,725	24,614,296
Total revenues	<u>251,690,523</u>	<u>38,450,707</u>	<u>20,333,254</u>	<u>21,529,432</u>	<u>332,003,916</u>
<b>Expenditures:</b>					
Current:					
Instructional services	178,760,492	-	7,134,350	5,482,260	191,377,102
Supporting services:					
Students	7,469,016	-	-	-	7,469,016
Instructional staff	13,962,178	-	-	-	13,962,178
District administration	980,621	-	-	-	980,621
School administration	15,919,864	-	-	-	15,919,864
Business	1,487,000	-	-	-	1,487,000
Operation and maintenance of facilities	21,955,182	-	-	273,865	22,229,047
Transportation	9,083,682	-	-	-	9,083,682
Central	3,947,620	-	-	-	3,947,620
School lunch services	-	-	-	14,427,648	14,427,648
Capital outlay	-	-	49,202,367	-	49,202,367
Debt service:					
Principal retirement	-	22,990,000	-	-	22,990,000
Interest and fiscal charges	-	13,591,661	-	-	13,591,661
Total expenditures	<u>253,565,655</u>	<u>36,581,661</u>	<u>56,336,717</u>	<u>20,183,773</u>	<u>366,667,806</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,875,132)</u>	<u>1,869,046</u>	<u>(36,003,463)</u>	<u>1,345,659</u>	<u>(34,663,890)</u>
<b>Other financing sources (uses):</b>					
Transfers	(150,000)	-	-	150,000	-
Equipment capital lease	-	-	2,660,000	-	2,660,000
Proceeds from sale of capital assets	-	-	125,784	-	125,784
Total other financing sources (uses)	<u>(150,000)</u>	<u>-</u>	<u>2,785,784</u>	<u>150,000</u>	<u>2,785,784</u>
Net change in fund balances	<u>(2,025,132)</u>	<u>1,869,046</u>	<u>(33,217,679)</u>	<u>1,495,659</u>	<u>(31,878,106)</u>
<b>Fund balances - beginning</b>	<u>31,576,124</u>	<u>4,177,855</u>	<u>56,731,119</u>	<u>5,631,935</u>	<u>98,117,033</u>
<b>Fund balances - ending</b>	<u>\$ 29,550,992</u>	<u>\$ 6,046,901</u>	<u>\$ 23,513,440</u>	<u>\$ 7,127,594</u>	<u>\$ 66,238,927</u>

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in**  
**Fund Balances of Government Funds to the Statement of Activities**  
**Year Ended June 30, 2006**

**Net change in fund balances-total governmental funds** **\$ (31,878,106)**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, assets with an initial, individual cost of more than \$5,000 for furniture and equipment and \$100,000 for buildings and improvements are capitalized and the cost is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current

Capital outlays	\$ 37,132,299	
Gain on sale of land and buildings	110,784	
Loss on disposal of furniture and equipment	(18,686)	
Proceeds from sales of capital assets	(125,784)	
Depreciation expense	<u>(14,922,222)</u>	22,176,391

Some capital asset additions are financed through capital leases. In governmental funds, a capital lease arrangement is considered a source of financing, but in the statement of net assets, the lease obligation is reported as a liability. Repayment of capital lease principal is an expenditure in the governmental funds, but repayment reduces the lease obligation in the statement of net assets.

Other financing source - capital leases	(2,660,000)	
Interest expense - capital leases	(2,432)	
Principal payments of capital leases	<u>860,000</u>	(1,802,432)

The governmental funds report bond proceeds as financing sources, while repayment of bond principal is reported as an expenditure. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities and repayment of principal reduces the liability. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. Interest is recognized as an expenditure in the governmental funds when it is due. In the statement of activities, however, interest expense is recognized as it accrues, regardless of when it is due. The net effect of these differences in the treatment of general obligation bonds and related items is as follows:

Amortization of bond refunding costs	(1,186,425)	
Repayment of bond principal	22,990,000	
Interest expense - general obligation bonds	333,779	
Amortization of bond issuance costs	(176,139)	
Amortization of bond premium	<u>1,234,868</u>	23,196,083

Property tax revenues received prior to the year for which they are being levied are reported as deferred revenue in the governmental funds. They are, however, recorded as revenues in the statement of activities. Deferred property tax revenues decreased this year. (453,066)

In the statement of activities, certain operating expenses - compensated absences (vacations) and termination benefits (early retirement) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). During this year, compensated absences payable increased by \$60,043 and early retirement payable decreased by \$3,310,649. 3,250,606

Internal service funds are used by the District to charge the costs of industrial insurance, printing, and warehouse services to individual funds. The net revenue of the internal service funds is reported with governmental activities. 11,324

**Change in net assets of governmental activities** **\$ 14,500,800**

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**Year Ended June 30, 2006**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with</b>
	<b>Original</b>	<b>Final</b>	<b>Amounts</b>	<b>Final Budget -</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues:</b>				
Property taxes	\$ 36,855,611	\$ 38,641,896	\$ 39,058,492	\$ 416,596
Earnings on investments	2,200,000	2,682,621	3,028,338	345,717
Other local sources	2,933,700	3,178,276	3,312,627	134,351
State aid	191,093,063	192,108,396	189,232,495	(2,875,901)
Federal aid	14,338,515	18,477,174	17,058,571	(1,418,603)
Total revenues	247,420,889	255,088,363	251,690,523	(3,397,840)
<b>Expenditures:</b>				
Current:				
Instructional services	173,150,239	183,465,486	178,760,492	4,704,994
Supporting services:				
Students	7,690,503	7,505,078	7,469,016	36,062
Instructional staff	13,340,377	15,587,640	13,962,178	1,625,462
District administration	1,023,317	1,057,502	980,621	76,881
School administration	16,118,853	16,194,744	15,919,864	274,880
Business	1,532,128	1,534,235	1,487,000	47,235
Operation and maintenance of facilities	21,720,820	22,544,230	21,955,182	589,048
Transportation	8,531,282	9,180,651	9,083,682	96,969
Central	4,043,370	4,146,011	3,947,620	198,391
Total expenditures	247,150,889	261,215,577	253,565,655	7,649,922
Excess (deficiency) of revenues over (under) expenditures	270,000	(6,127,214)	(1,875,132)	4,252,082
<b>Other financing sources (uses):</b>				
Transfer out	(130,000)	(150,000)	(150,000)	-
Net change in fund balances	140,000	(6,277,214)	(2,025,132)	4,252,082
<b>Fund balances - beginning</b>	30,280,255	31,576,124	31,576,124	-
<b>Fund balances - ending</b>	<u>\$ 30,420,255</u>	<u>\$ 25,298,910</u>	<u>\$ 29,550,992</u>	<u>\$ 4,252,082</u>

The notes to the basic financial statements are an integral part of this statement.



**ALPINE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Proprietary Funds**  
June 30, 2006

	<u>Governmental Activities - Internal Service Funds</u>
<b>Assets:</b>	
Current assets:	
Cash and investments	\$ 1,059,057
Inventories	591,747
Total current assets	<u>1,650,804</u>
Noncurrent assets:	
Capital assets:	
Land	15,701
Buildings	1,140,581
Equipment	464,885
Accumulated depreciation	<u>(624,394)</u>
Net capital assets	<u>996,773</u>
Total assets	<u>2,647,577</u>
<b>Liabilities:</b>	
Current liabilities:	
Accounts payable	166,936
Compensated absences payable	<u>16,399</u>
Total current liabilities	<u>183,335</u>
<b>Net assets:</b>	
Invested in capital assets	996,773
Unrestricted	<u>1,467,469</u>
Total net assets	<u>\$ 2,464,242</u>

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Statement of Revenues, Expenses, and Changes in Fund Net Assets**  
**Proprietary Funds**  
**Year Ended June 30, 2006**

	<u><b>Governmental Activities - Internal Service Funds</b></u>
<b>Operating revenues:</b>	
Charges for services	\$ 1,294,271
<b>Operating expenses:</b>	
Salaries	389,652
Employee benefits	194,813
Medical fees	316,845
Compensation claim payments	93,360
Insurance	51,719
Purchased services	124,335
Supplies and materials	93,589
Depreciation	65,382
Total operating expenses	<u>1,329,695</u>
Operating loss	<u>(35,424)</u>
<b>Nonoperating income (expense):</b>	
Earnings on investments	22,204
State aid	24,544
Total nonoperating income (expense)	<u>46,748</u>
Change in net assets	11,324
<b>Total net assets - beginning</b>	<u>2,452,918</u>
<b>Total net assets - ending</b>	<u><u>\$ 2,464,242</u></u>

The notes to the basic financial statements are an integral part of these statements.

**ALPINE SCHOOL DISTRICT**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended June 30, 2006**

	<b>Governmental Activities - Internal Service Funds</b>
<b>Cash flows from operating activities:</b>	
Receipts from interfund services provided	\$ 1,294,271
Payments to suppliers	(112,320)
Payments for medical fees and insurance claims	(399,923)
Payments to employees	(587,230)
Net cash provided by operating activities	<u>194,798</u>
<b>Cash flows from noncapital financing activities:</b>	
Receipt of state aid	<u>24,544</u>
<b>Cash flows from investing activities:</b>	
Interest received	<u>22,204</u>
Net change in cash and cash equivalents	241,546
<b>Cash and cash equivalents - beginning</b>	<u>817,511</u>
<b>Cash and cash equivalents - ending</b>	<u><u>\$ 1,059,057</u></u>
Displayed on statements of net assets as:	
Cash and investments	<u><u>\$ 1,059,057</u></u>
<b>Reconciliation of operating loss to net cash provided by operating activities:</b>	
Operating loss	\$ (35,424)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation expense	65,382
Decrease in inventories	156,704
Increase in accounts payable	10,901
Decrease in compensated absences payable	(2,765)
Total adjustments	<u>230,222</u>
Net cash provided by operating activities	<u><u>\$ 194,798</u></u>
<b>Noncash investing, capital, and financing activities:</b>	none

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Statement of Fiduciary Fund Assets and Liabilities**  
**Agency Fund**  
**June 30, 2006**

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	<u>Student Activities Fund</u>
<b>Assets:</b>	
Cash and investments	<u>\$ 6,969,739</u>
<b>Liabilities:</b>	
Accounts payable	\$ 945,581
Due to student groups	<u>6,024,158</u>
Total liabilities	<u>\$ 6,969,739</u>

The notes to the basic financial statements are an integral part of this statement.

**ALPINE SCHOOL DISTRICT**  
**Notes to Basic Financial Statements**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Alpine School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

**Reporting entity** – The Board of Education, comprised of seven elected individuals, is the primary governing authority for the District. As required by GAAP, these financial statements present the District and its component unit, Alpine School District Foundation, for which the District is considered to be financially accountable. The District is not a component unit of any other primary government. A blended component unit, although a legally separate entity, is, in substance, part of the District's operations.

- **Blended component unit.** The Alpine School District Foundation is a nonprofit organization established under Internal Revenue Service regulations as a conduit for tax-deductible donations to the District. The voting majority of the Foundation's board is appointed by the Board of Education. The Foundation exclusively services the District. The Foundation is presented as a special revenue fund of the District. The Foundation's financial statements are reported separately in this report.

**Government-wide and fund financial statements** – The *government-wide financial statements* (the statement of net assets and the statement of changes in net assets) display information about the primary government (the District) and its blended component unit. These statements include the financial activities of the overall government, except for fiduciary activities. The effect of interfund activity has been eliminated from the government-wide financial statements.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a function and, therefore, are clearly identifiable to a particular function. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets (for example, a school building is used primarily for instructional, school administration, operation and maintenance of facilities, and school lunch services) are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line item. Program revenues include 1) fees and charges paid by students and other recipients of goods or services offered by a given function, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Revenues that are not classified as program revenues, including property taxes, are presented as general revenues.

The *fund financial statements* provide information about the District's funds, including its fiduciary funds and blended component unit. Separate statements for each fund category (governmental, proprietary, and fiduciary) are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as other governmental funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

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earnings, result from non-exchange transactions or ancillary activities. Operating expenses result from transactions directly associated with the fund's principal services.

The District reports the following major governmental funds:

- The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
- The *debt service fund* accounts for resources accumulated and payments made for principal and interest on general obligation school building bonds.
- The *capital projects fund* accounts for resources accumulated and payments made for the acquisition and improvement of sites; construction and remodel of facilities; and procurement of equipment, textbooks, and supplies necessary for providing educational programs for all students within the District.

Additionally, the District reports the following fund types:

- *Internal service funds (proprietary funds)* accounts for industrial insurance and certain student services provided to other funds of the District on a cost-reimbursement basis.
- The *student activities agency fund (a fiduciary fund)* accounts for monies held on behalf of student groups.

**Measurement focus, basis of accounting, and financial statement presentation** – The *government-wide and proprietary fund financial statements* are reported using the economic resources measurement focus. The government-wide, proprietary, and agency fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District receives value without directly giving equal value in exchange, include property taxes, grants, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Property taxes and interest are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the District receives cash. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and post-employment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

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**Budgetary Data** – Budgets are presented on the modified accrual basis of accounting for all governmental funds except the Alpine School District Foundation special revenue fund. Budgets are not adopted on a District level for the Alpine School District Foundation special revenue fund, internal service funds or the student activities agency fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- During May of each year, the District superintendent submits to the Board a proposed operating budget for the next fiscal year commencing July 1st. This budget includes proposed expenditures and the means of financing them. Included also is a final budget for the current year ending June 30th.
- Copies of the proposed budget are made available for public inspection and review by the patrons of the District.
- If the District does not exceed the certified tax rate, a public hearing is held prior to June 22 at which the budget is legally adopted by resolution of the Board after obtaining taxpayer input. If the District exceeds the certified tax rate, the budget is adopted in August when data is available to set the rates.
- Once adopted, the budget can be amended by subsequent Board action. The Board upon recommendation of the superintendent can approve reductions in appropriations, but increases in appropriations by fund require a public hearing prior to amending the budget. In accordance with Utah state law, interim adjustments may be made by administrative transfer of money from one appropriation to another within any given fund.
- Certain interim adjustments in estimated revenue and expenditures during the year ended June 30, 2006, have been included in the final budget approved by the Board, as presented in the financial statements.
- Expenditures may not legally exceed budgeted appropriations at the fund level.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenue variances will be negative, and overall fund expenditure variances will be positive.

**Deposits and Investments** – The cash balances of substantially all funds are pooled and invested by the District for the purpose of increasing earnings through investment activities and providing efficient management of temporary investments. The District's investments are reported at fair value at year-end. The reported value of the pool is the same as the fair value of the pool shares. Changes in the fair value of investments are recorded as investment earnings. Earnings on pooled funds are apportioned and paid or credited to the funds based on the average balance of each participating fund.

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

**Cash and Cash Equivalents** – The District considers cash and cash equivalents in proprietary funds to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition, including investments in the Utah Public Treasurers' Investment Fund (PTIF).

**Receivables and Payables** – Activity between funds that are representative of lending/borrowing arrangements outstanding at year-end are referred to as either "due to/from other funds".

**Inventories** – Inventories are valued at cost or, if donated, at fair value when received, using the moving average method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased. Donated food commodities are reported in the governmental funds as revenue when received.

**Capital Assets** – Capital assets, which include land, water stock, buildings and improvements, and furniture and equipment, are reported in the government-wide and internal service fund financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 for land, water stock, and furniture and equipment and \$100,000 for buildings and improvements and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend an asset's life is not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during construction is not capitalized.

Land and construction in progress are not depreciated. Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings	40
Building improvements and portable classrooms	20
Maintenance equipment	15
Vocational education equipment	15
Buses	10
Musical instruments	10
Furniture	10
Office equipment	10
Athletic equipment	8
Vehicles	8
Audio visual equipment	6
Computer equipment	3

**Compensated Absences** – Under terms of association agreements, twelve-month or full-year employees earn vacation and sick leave in amounts varying with tenure and classification. In the event of termination or death, an employee is reimbursed for accumulated vacation days to a maximum of 20 days. No reimbursement or accrual is made for unused sick leave.



**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

All vacation pay plus related payroll taxes is accrued when incurred in the government-wide and internal service fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Long-term Obligations** – In the government-wide financial statements and internal service fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums, discounts, and refunding costs, as well as issuance costs, are deferred and amortized over the life of the related bonds using the straight-line method, which approximates the effective interest method. Bonds payable are reported net of unamortized bond premiums or discounts and refunding costs.

In the fund financial statements, governmental fund types recognize bond premiums and discounts and refunding costs, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

**Fund Equity** – In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a restricted purpose. Designations of fund balance represent tentative plans for future use of financial resources that are subject to change.

**2. DEPOSITS AND INVESTMENTS**

Deposits and investments are carried at fair value. A reconciliation of cash and investments at June 30, 2006, as shown on the financial statements is as follows:

Carrying amount of deposits	\$ 2,478,482
Carrying amount of investments	98,866,085
Total cash and investments	<u>\$ 101,344,567</u>
Governmental funds cash and investments	\$ 93,315,771
Internal service fund cash and investments	1,059,057
Statement of net assets cash and investments	94,374,828
Agency fund cash and investments	6,969,739
Total cash and investments	<u>\$ 101,344,567</u>

The District complies with the State Money Management Act (Utah Code Section 51, Chapter 7) (Act) and related Rules of the Money Management Council (Council) in handling its depository and investing transactions. District funds are deposited in qualified depositories as defined by the Act. The Act also authorizes the District to invest in the Utah Public Treasurers' Investment Fund (PTIF), certificates of deposit, US Treasury obligations, US agency issues, high-grade commercial paper, banker's acceptances, repurchase agreements, corporate bonds, money market mutual funds, and obligations of governmental entities within the State of Utah.

The PTIF is authorized and makes investments in accordance with the Act. The Council provides regulatory oversight for the PTIF. Participant accounts with the PTIF are not insured or otherwise guaranteed by the State of Utah. Participants in the PTIF share proportionally in the income, costs, gains

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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and losses from investment activities. The degree of risk of the PTIF depends upon the underlying portfolio.

The Act and Council rules govern the financial reporting requirements of qualified depositories in which public funds may be deposited and prescribe the conditions under which the designation of a depository shall remain in effect. The District considers the rules of the Council to be necessary and sufficient for adequate protection of its uninsured bank deposits.

Rules of the Council allow the Foundation to invest private grants, contributions, and endowments in any deposit or investment authorized by the Act and certain investment funds, equity securities, fixed-income securities, and investment strategies with institutions that meet certain restrictions.

At (and during the year ended) June 30, 2006, all of the District's and Foundation's investments are with the PTIF.

**Deposits** – At June 30, 2006, the District's carrying amount of bank deposits is \$2,478,482 and the bank balance is \$5,920,948. Of the bank balance, \$614,322 is covered by federal depository insurance and \$5,306,626 is uninsured and uncollateralized. No deposits are collateralized, nor are they required to be by state statute.

**Custodial Credit Risk.** Custodial credit risk for deposits is the risk that, in the event of a bank failure, a government's deposits may not be returned to it. The District does not have a formal deposit policy for custodial credit risk.

**Investments** – The District's investment in the PTIF has a maturity of less than one year and is not rated.

**Interest Rate Risk.** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The District manages its exposure to interest rate risk by complying with the Act, which requires that the remaining term to maturity of investments to not exceed the period of availability of the funds invested. Except for endowments, the Act further limits the remaining term to maturity on all investments in commercial paper and bankers' acceptances to 270 days or less and fixed-income securities to 365 days or less. In addition, variable-rate securities may not have a remaining term to final maturity exceeding two years.

**Credit Risk.** Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The District's policy for reducing its exposure to credit risk is to comply with the Act and related rules. The Act and related rules limit investments in commercial paper to a first tier rating and investments in fixed-income and variable-rate securities to a rating of A or higher as rated by Moody's Investors Service, Inc. or by Standard and Poor's Corporation. The District has no investment policy that would further limit its investment choices.

**Concentration of Credit Risk.** Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's policy for managing this risk is to comply with the Act and related rules. The Act limits investments in commercial paper and or corporate obligations to 5% of the District's total portfolio with a single issuer. The District places no other limits on the amount it may invest in any one issuer.

**Custodial Credit Risk.** Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The District's policy for managing this risk is to comply with the

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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Act and related rules. The District places no other limit on the amount of investments to be held by counterparties.

**3. PROPERTY TAXES**

The property tax revenue of the District is collected and distributed by the Utah County Treasurer as an agent of the District. Utah statutes establish the process by which taxes are levied and collected. The county assessor is required to assess real property as of January 1 and complete the tax rolls by May 15. By July 21, the county auditor is to mail assessed value and tax notices to property owners. A taxpayer may then petition the County Board of Equalization between August 1 and August 15 for a revision of the assessed value. The county auditor makes approved changes in assessed value by November 1 and on this same date the county auditor is to deliver the completed assessment rolls to the county treasurer. Tax notices are mailed with a due date of November 30.

An annual uniform fee based on the age of motor vehicles is levied in lieu of an ad valorem tax on motor vehicles that is due each time a vehicle is registered. Revenues collected in each county from motor vehicles fees is distributed by the county to each taxing entity in which the property is located in the same proportion in which revenue collected from ad valorem real property tax is distributed. The District recognizes motor vehicle fees as property tax revenue when collected.

As of June 30, 2006, property taxes receivable by the District includes uncollected taxes assessed as of January 1, 2006 or earlier. It is expected that all assessed taxes (including delinquencies plus accrued interest and penalties) will be collected within a five-year period, after which time the county treasurer may force sale of property to collect the delinquent portion. The property taxes receivable and property taxes deferred revenue accounts at June 30, 2006 are summarized as follows:

	Major Funds			Other	
	General	Debt Service	Capital Projects	Governmental Funds	Totals
<b>Property taxes - receivable:</b>					
Levied for current and prior years (delinquent)	\$ 1,692,398	\$ 1,641,342	\$ 436,336	\$ 50,583	\$ 3,820,659
Levied for future year	41,873,895	34,009,539	19,120,332	1,357,874	96,361,640
	<u>\$ 43,566,293</u>	<u>\$ 35,650,881</u>	<u>\$ 19,556,668</u>	<u>\$ 1,408,457</u>	<u>\$ 100,182,299</u>
<b>Property taxes - deferred revenue:</b>					
Levied for future year and collected	\$ 235,701	\$ 201,861	\$ 61,647	\$ 7,136	\$ 506,345
Levied for future year and uncollected	41,873,895	34,009,539	19,120,332	1,357,874	96,361,640
Deferred property tax revenue - governmental activities, statement of net assets	42,109,596	34,211,400	19,181,979	1,365,010	96,867,985
Levied for current and prior years (delinquent)	971,912	942,592	250,580	29,049	2,194,134
Deferred property tax revenue - governmental funds, balance sheet	<u>\$ 43,081,508</u>	<u>\$ 35,153,992</u>	<u>\$ 19,432,559</u>	<u>\$ 1,394,059</u>	<u>\$ 99,062,118</u>

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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**4. Capital Assets**

Capital asset activity for the year ended June 30, 2006 is as follows:

	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 37,279,280	\$ 1,562,953	\$ -	\$ 38,842,233
Construction in progress	20,994,737	32,469,151	(25,277,156)	28,186,732
Water stock	775,291	3,591	(75,416)	703,466
Total capital assets, not being depreciated	59,049,308	34,035,695	(25,352,572)	67,732,431
Capital assets, being depreciated:				
Buildings and improvements	429,752,041	25,277,156	-	455,029,197
Furniture and equipment	20,305,080	3,172,021	(706,399)	22,770,702
Total capital assets, being depreciated	450,057,121	28,449,177	(706,399)	477,799,899
Accumulated depreciation for:				
Buildings and improvements	(141,421,966)	(12,983,367)	-	(154,405,333)
Furniture and equipment	(11,804,923)	(2,004,237)	672,713	(13,136,447)
Total accumulated depreciation	(153,226,889)	(14,987,604)	672,713	(167,541,780)
Total capital assets, being depreciated, net	296,830,232	13,461,573	(33,686)	310,258,119
Governmental activities capital assets, net	<u>\$ 355,879,540</u>	<u>\$ 47,497,268</u>	<u>\$ (25,386,258)</u>	<u>\$ 377,990,550</u>

For the year ended June 30, 2006, depreciation expense was charged to functions of the District as follows:

<b>Governmental activities:</b>	
Instructional services	\$ 10,135,623
Supporting services:	
District administration	89,537
School administration	632,135
Operation and maintenance of facilities	1,355,646
Transportation	1,785,585
Central	46,265
School lunch services	877,431
Capital assets held by the District's internal service funds are charged to the various functions based on their usage of the assets	65,382
Total depreciation expense, governmental activities	<u>\$ 14,987,604</u>

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

The District is obligated at June 30, 2006, under construction commitments as follows:

<u>Project</u>	<u>Project Authorized</u>	<u>Costs to Date</u>	<u>Costs to Complete</u>
Fox Hollow Elementary	\$ 11,332,057	\$ 9,797,152	\$ 1,534,905
Harvest Elementary	9,711,323	9,468,700	242,623
Ridgeline Elementary	10,539,181	8,920,880	1,618,301
School remodeling-various locations	1,410,373	-	1,410,373
<b>Total</b>	<b>\$ 32,992,934</b>	<b>\$ 28,186,732</b>	<b>\$ 4,806,202</b>

A reservation of fund balance for construction commitments in the capital projects fund has been established to fulfill the required costs to complete construction projects at June 30, 2006.

**5. RETIREMENT PLANS**

**Defined Benefit Plans** – The District contributes to the State and School Contributory Retirement System and State and the School Noncontributory Retirement System (collectively, the Systems) which are cost-sharing multiple-employer defined benefit pension plans administered by the Utah Retirement Systems (URS). URS provides refunds, retirement benefits, annual cost of living adjustments and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953, as amended. The Utah State Retirement Act in Chapter 49 provides for the administration of the URS and plans under the direction of the Utah State Retirement Board whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, UT 84102 or by calling 1-800-365-8772.

Plan members in the State and School Contributory Retirement System are required to contribute 1.00% of annual covered salary, and the District contributes 13.89% of annual covered salary. For employees participating in the State and School Noncontributory System, the District contributes 13.38% of annual covered salary. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Utah State Retirement Board.

The District's contributions to the State and School Contributory Retirement System for the years ended June 30, 2006, 2005, and 2004 are \$465,776, \$489,278, and \$448,846, respectively, and employee contributions were \$33,529, \$35,225, and \$36,761, respectively. The District's contributions to the State and School Noncontributory Retirement System for the years ended June 30, 2006, 2005, and 2004 are \$20,324,976, \$19,226,943, and \$16,016,316, respectively. The contributions were equal to the required contributions for each year.

**Defined Contribution Plans** – The District also participates in a defined contribution plan under Internal Revenue Code Section 401(k) to supplement retirement benefits accrued by participants in the Systems. Employees covered by the State and School Non-contributory Retirement System have a contribution of 1.5% of covered salaries automatically made by the District. Employees participating in the Systems can make additional contributions to the 401(k) plan up to specified limits. Contributions and earnings may be withdrawn by the employee upon termination or may be used as supplemental income upon retirement. The employer 401(k) contributions for the years ended June 30, 2006, 2005 and 2004 are \$2,649,133,

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
*Continued*

\$2,450,220, and \$2,231,810, respectively; the employee contributions for the years ending June 30, 2006, 2005 and 2004 are \$2,760,244, \$2,446,429, and \$2,147,740, respectively. The 401(k) plan funds are fully vested to the participants at the time of deposit. Plan assets are administered and held by URS.

The District also offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457 and 403(b). The plans, available to all full-time employees, permit them to defer a portion of their salary until future years. Employees are eligible to voluntarily participate from the date of employment and are vested immediately upon participating. Employee contributions to the Section 457 plan totaled \$370,210 and contributions to the 403 (b) plan totaled \$2,313,375 for the year ended June 30, 2006. The assets of the plan are administered and held by URS and a third-party administrator.

**Early Retirement Incentives** – The District provides an early retirement stipend and insurance incentive program. The early retirement stipend is restricted to those employees with a minimum of ten years of service in the District who have reached age 60, except those under age 60 who retire under provisions of the Utah State Employee's Retirement Act. Certificated and administrative employees will receive a stipend amounting to 50% of the difference between the salary base of the existing employees' salary schedule and the basic contract amount that these employees would have been paid had they continued their assignment. Classified employees will receive 23% of the amount they would have been paid had they continued their assignment. The District's payments to or for retirees in the years ended June 30, 2006 and 2005 are \$9,283,511 and \$2,427,384, respectively. Retirement payments after June 30, 2005 are paid to a tax deferred special pay plan on behalf of the employee when the employee retires. Retirement payments before June 30, 2005 are paid in four annual installments. An annual cost of living adjustment is applied to these installments as though employees continued employment. Therefore, the discounted present value of this future benefit approximates current value. Payments are recognized as a termination benefit. This benefit is paid primarily from the general fund.

There are no early retirement insurance benefits for employees hired on or after March 1, 2006.

Employees who were hired prior to March 1, 2006 and who have not previously retired, have the following maximum early retirement insurance benefit for themselves and their eligible dependents based on years of experience in Alpine School District as of July 1, 2006 as follows:

1-10 years service in Alpine	4 years of insurance
11-19 years service in Alpine	5 years of insurance
20 or more years service in Alpine	6 years of insurance

Dependent and spouse insurance benefits may be earned by employees who meet all qualifications for retirement insurance incentives and requires current, consecutive years of experience in Alpine School District as follows:

15 years of service in Alpine	4 years of insurance
20 years service in Alpine	5 years of insurance
25 years service in Alpine	6 years of insurance

**6. MEDICAL PLAN, AND LIFE AND LONG-TERM DISABILITY (LTD)**

In September 1995 the District moved from a self-funded program to a fully-insured program with premiums paid to the District's medical insurance carrier. The Medical, Life and LTD Insurance Fund was closed July 1, 1998 with the balance transferred to the general fund and placed in a designated account. In fiscal 2006, this health and accident designation of \$3,538,281 has been negotiated and re-designated for

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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postemployment benefits. The District also provides \$15,000 in term life insurance, \$5,000 for dependent life insurance, in addition to long-term disability coverage, that is also maintained on a premium basis. The District provides a \$5,000 death benefit that is maintained on a self-insured basis.

In addition to the pension benefits described in Note 5, the District provides supplemental medical insurance coverage in accordance with contractual agreements with employee groups for individuals over age 65 that have 10 years of full-time service in the District, and have retired from the District. If the previous 10 years prior to retirement were full time, the District covers the total cost of postemployment health care as part of the premiums paid for employees hired prior to July 1, 1995. Those employees hired after June 30, 1995 will not receive postemployment health care coverage. The number of retirees eligible as of the latest study to receive benefits at June 30, 2005 is 767 and the number of employees hired before July 1, 1995 that may become eligible for the benefit in the future is 1,681. The postemployment health care benefits are financed on a pay-as-you-go basis.

**7. RISK MANAGEMENT**

The District also maintains insurance coverage for general, automobile, personal injury, errors and omissions, employee dishonesty, and malpractice liability up to \$10 million per occurrence through policies administered by the Utah State Risk Management Fund (Fund). The District also insures its buildings, including those under construction, and contents against all insurable risks of direct physical loss or damage with the Fund. Property physical damage is insured to replacement value with a \$1,000 deductible; automobile physical damage is insured to actual value with a \$350 deductible; other liability is limited to the lesser of \$10 million or the statutory limit. The Fund is a public entity risk pool operated by the State for the benefit of the State and local governments within the State. The District pays annual premiums to the Fund. The Fund obtains independent coverage for insured events, up to \$25 million per location. This is a pooled arrangement where the participants' pay experienced rated annual premiums, which are designed to pay claims and build sufficient reserves so that the pool will be able to protect the participating entities with its own capital. The pool reinsures excess losses to preserve the capital base. Insurance coverage from coverage by major category of risk has remained relatively constant as compared to the prior fiscal year. Insurance settlements have not exceeded insurance coverage for the past three years.

The District is self-insured for certain life insurance benefits and worker's compensation. Unemployment compensation is handled on a cost of benefits reimbursement basis with the State of Utah. Processing of worker's compensation claims is handled internally. Monthly premiums are charged to users and revenue is accumulated in the industrial insurance internal service fund to cover the actual costs of operations. The unpaid claims are included in the accounts payable of the industrial insurance internal service fund. Liabilities are based on the estimated ultimate cost of settling claims using past experience adjusted for current trends. This liability is the District's best estimate based on available information. There were 76 cases that occurred prior to June 30, 2006, which have not been resolved. Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. A co-insurance policy will provide for individual claims in excess of \$250,000. Changes in the balances of claims liabilities during the years ended June 30, 2006 and 2005 are listed on the following page:

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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	2006	2005
Unpaid claims at beginning of year	\$ 140,112	\$ 165,091
Incurred claims	410,205	254,566
Medical fees paid	(304,265)	(236,204)
Compensation claim payments	(95,193)	(43,341)
Unpaid claims at end of year	<u>\$ 150,859</u>	<u>\$ 140,112</u>

**8. LONG-TERM DEBT**

Long-term liability activity for the year ended June 30, 2006 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	\$ 292,830,000	\$ -	\$ (22,990,000)	\$ 269,840,000	\$ 23,255,000
Deferred amounts for issuance premium	13,061,309	-	(1,234,868)	11,826,441	-
Deferred amounts on refunding	(4,270,368)	-	1,186,425	(3,083,943)	-
Total bonds payable, net	301,620,941	-	(23,038,443)	278,582,498	23,255,000
Obligations under capital leases	-	2,660,000	(860,000)	1,800,000	690,000
Compensated absences payable	1,680,673	1,569,884	(1,512,606)	1,737,951	1,564,156
Early retirement payable	4,627,909	5,972,862	(9,283,511)	1,317,260	934,665
Total governmental activity long-term liabilities	<u>\$ 307,929,523</u>	<u>\$ 10,202,746</u>	<u>\$ (34,694,560)</u>	<u>\$ 283,437,709</u>	<u>\$ 26,443,821</u>

**Defeasance of Debt – July 15, 2002** – On July 15, 2002 the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2006, \$12,925,000 of bonds outstanding is considered defeased. \$4,050,000 of this liability was paid by the trust on September 15, 2004. The remaining liability of \$12,925,000 was redeemed by the trust on September 15, 2006.

**Defeasance of Debt – February 24, 2004** – On February 24, 2004 the District defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2006, \$59,825,000 of bonds outstanding is considered defeased. The liability of \$59,825,000 will be redeemed by the trust in three installments as outlined on the following page.



**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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<u>Issue</u>	<u>Call Date</u>	<u>Maturity Value</u>
Series 1998	9/15/2008	\$ 13,275,000
Series 1999	3/15/2010	15,500,000
Series 2001A	9/15/2011	31,050,000
		<u>\$ 59,825,000</u>

**Capital Leases** – On July 29, 2005 the District purchased \$2,660,000 of school buses through capital leasing arrangements in the capital projects fund.

Future minimum lease obligations relating to the school bus lease are as follows:

	<u>Year Ending June 30,</u>	<u>Capital Projects</u>
	2007	\$ 748,374
	2008	655,997
	2009	<u>505,891</u>
Total minimum lease payments		1,910,262
Amount representing interest		<u>(110,262)</u>
Present value of minimum lease payments		<u>\$ 1,800,000</u>

**General Obligation Bonds** – The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2006, including interest payments, are listed as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	23,255,000	12,518,619	35,773,619
2008	24,195,000	11,548,763	35,743,763
2009	25,280,000	10,433,475	35,713,475
2010	19,290,000	9,287,425	28,577,425
2011	20,180,000	8,457,413	28,637,413
2012-2016	115,460,000	27,335,401	142,795,401
2017-2018	42,180,000	2,591,960	44,771,960
Total	<u>\$ 269,840,000</u>	<u>\$ 82,173,056</u>	<u>\$ 352,013,056</u>

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**Notes Basic to Financial Statements**  
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General obligation school building bonds payable at June 30, 2006, with their outstanding balance are comprised of the following individual issues:

\$69,000,000 1998 general obligation school building and refunding bonds, due in annual installments of \$1,040,000 to \$14,625,000, beginning March 15, 1999, through March 15, 2014, interest from 4.00% to 5.00%	\$37,375,000
\$30,000,000 1999 general obligation school building bonds, due in annual installments of \$425,000 to \$2,0950,000, beginning March 15, 2002, through March 15, 2016, interest from 5.13% to 5.38%	8,000,000
\$17,015,000 2001 general obligation refunding bonds, due in annual installments of \$50,000 to \$4,580,000, beginning March 15, 2002, through March 15, 2007, interest from 4.00% to 5.00%	4,580,000
\$40,000,000 2001 general obligation school building bonds, due in annual installments of \$100,000 to \$8,625,000, beginning March 15, 2002, through March 15, 2016, interest from 3.00% to 5.25%	4,975,000
\$68,090,000 2002 general obligation school building and refunding bonds, due in annual installments of \$545,000 to \$8,775,000, beginning March 15, 2003, through March 15, 2016, interest from 3.00% to 5.25%	57,155,000
\$47,175,000 2003 general obligation school building and refunding bonds, due in annual installments of \$255,000 to \$4,655,000, beginning March 15, 2004, through March 15, 2018, interest from 2.00% to 5.25%	44,545,000
\$59,260,000 2004A general obligation refunding bonds, due in annual installments of \$190,000 to \$11,280,000, beginning March 15, 2006, through March 15, 2016, interest from 2.00% to 5.00%	59,070,000
\$24,100,000 2004B general obligation school building bonds, due in annual installments of \$1,435,000 to \$5,715,000, beginning March 15, 2005, through March 15, 2017, interest from 2.50% to 5.00%	21,400,000
\$35,815,000 2005A general obligation school building bonds, due in annual installments of \$1,050,000 to \$10,640,000, beginning March 15, 2006, through March 15, 2018, interest from 3.50% to 5.00%	32,740,000
	<u>\$269,840,000</u>

The general obligation bonded debt of the District is limited by state law to 4% of the fair market value of the total taxable property in the District. For legal debt limit purposes under State law, the outstanding direct general obligation debt of the Board is increased by the premium associated with debt issued and reduced by deferred amounts on refunding. As of June 30, 2006 total premium is \$11,826,441 and the total deferred amount is \$3,083,943, resulting in total outstanding net direct debt of \$278,582,498. The legal

**ALPINE SCHOOL DISTRICT**  
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debt limit at June 30, 2006 is \$637,218,591. The legal debt limit less net direct debt equals an estimated additional debt incurring capacity of \$358,636,093.

Payments on the general obligation bonds are made by the debt service fund from property taxes and earnings on investments. The obligations under capital leases are paid by the capital projects fund during the year ended June 30, 2006. Compensated absences and early retirement benefits will be paid by the fund in which the employee worked; including the general fund and other governmental funds.

**9. INTERFUND BALANCES AND ACTIVITY**

The composition of interfund balances as of June 30, 2006 is as follows:

Receivable Fund	Payable Fund	Amount
<b>Due to/from other funds:</b>		
General	Other governmental	\$ 80,640
Other governmental	General	29,943
Total		<u>\$ 110,583</u>

The above interfund balances are operating transactions between the Alpine School District Foundation and the District and the other governmental funds.

During the year ended June 30, 2006, the general fund transferred \$150,000 to the other governmental funds. This transfer is an annual subsidy from special education funding.

**10. DESIGNATED FOR UNDISTRIBUTED RESERVE**

Utah state law allows for the establishment of an undistributed reserve. The Board must authorize expenditures from the undistributed reserve. This reserve is for contingencies. According to State law, the District may not use undistributed reserves in the negotiation or settlement of contract salaries for District employees. The undistributed reserve may not exceed 5% of the current fiscal year's total general fund budgeted expenditures. Use of the reserve requires a written resolution adopted by a majority vote of the Board filed with the Utah State Board of Education and State Auditor.

**11. LITIGATION**

There are several lawsuits pending in which the District is involved. The District's counsel and insurance carriers estimate that the potential claims against the District, not covered by insurance, resulting from such litigation would not materially effect the financial statements of the District.

**12. GRANTS**

The District receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the District's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable fund. Based on prior experience, District administration believes such disallowance, if any, would be immaterial.

**ALPINE SCHOOL DISTRICT**  
**Notes Basic to Financial Statements**  
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**13. LONG-TERM RECEIVABLE**

In order to avoid a duplication of educational services, the District entered into an agreement with Mountainland Applied Technology College (MATC) as a lessor to rent facilities purchased by the District to MATC. This purchase was recorded as a receivable in the capital projects fund. MATC accrues an equity interest in the facility resulting from lease payments made to the District. Should the housing capacity become inadequate and the MATC require larger facilities the District may sell or retain the facility. Upon sale or retention, the District will forward the net equity in the facility, less closing and costs to MATC, or in the event of a net deficit after the sale of the facility, MATC would be charged the net deficit in full as a penalty for early cancellation of the lease. The monthly interest charged on the note is a minimum of 4.5% with a maximum of one half percent above the published Utah Public Treasurer's Investment Fund rate. The schedule below is based on 4.5%. The annual lease requirements, including interest payments, to the District are listed as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	\$ 149,292	\$ 115,700	\$ 264,992
2008	166,972	108,620	275,592
2009	185,896	100,719	286,615
2010	206,140	91,940	298,080
2011	227,783	82,221	310,004
2012-2017	1,702,896	230,027	1,932,923
Total	<u>\$ 2,638,979</u>	<u>\$ 729,227</u>	<u>\$ 3,368,206</u>

## **Major Governmental Funds**

**General Fund** – The General Fund is used to account for resources which are not required legally or by sound financial management to be accounted for in another fund. Utah law defines the General Fund as the Maintenance and Operation Fund.

**Debt Service** – The Debt Service Fund is used to account for the accumulation of resources and payment of general obligation bond principal and interest due annually. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53 A-21-103 and 53 A-17a-145.

**Capital Projects Fund** – The Capital Projects Fund is used to account for the costs incurred in acquiring and improving sites, constructing and remodeling facilities, and procuring equipment necessary for providing education programs for all students within the District. Financing is provided by an annual property tax levy not to exceed .0024 plus an additional levy in an amount not to exceed 10% of the cost of the basic program as authorized by Utah Code 53 A-21-101 through 105 and 53 A-17a145. Also, State funds can be obtained by qualifying under guidelines established for districts determined to be in critical need for construction building aid. Utah law defines the Capital Projects Funds as the Capital Outlay Fund.

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*General Fund*  
June 30, 2006

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 56,040,860	\$ 59,922,514
Receivables:		
Property taxes	43,566,293	38,716,150
Other local	893,026	1,525,196
State	114,417	151,058
Federal	7,555,084	6,168,543
Due from other funds	80,640	5,963
Total assets	<u>\$ 108,250,320</u>	<u>\$ 106,489,424</u>
<b>Liabilities and fund balances:</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 1,634,832	\$ 822,044
Accrued salaries	25,216,267	24,484,758
Due to other funds	29,943	15,135
Deferred revenue:		
Property taxes	43,081,508	39,301,769
Other local	108,146	144,656
State	8,627,694	10,084,092
Federal	938	60,846
Total liabilities	<u>78,699,328</u>	<u>74,913,300</u>
<b>Fund Balances:</b>		
Reserved for:		
Encumbrances	21,043	109,382
Unreserved:		
Designated for:		
Undistributed reserve	10,300,000	10,300,000
School allocation for textbooks	1,184,837	1,128,464
Compensated absences	1,692,337	1,633,781
Early retirement incentive	1,317,260	4,627,909
Early retirement health benefits	10,706,155	6,200,141
Post retirement health benefits	3,538,281	6,414,658
Undesignated	791,079	1,161,789
Total fund balances	<u>29,550,992</u>	<u>31,576,124</u>
Total liabilities and fund balances	<u>\$ 108,250,320</u>	<u>\$ 106,489,424</u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**General Fund**

Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Property taxes	\$ 38,641,896	\$ 39,058,492	\$ 416,596	\$ 36,139,977
Earnings on investments	2,682,621	3,028,338	345,717	695,916
Other local sources	3,178,276	3,312,627	134,351	4,020,972
State aid	192,108,396	189,232,495	(2,875,901)	175,396,520
Federal aid	18,477,174	17,058,571	(1,418,603)	13,328,209
Total revenues	255,088,363	251,690,523	(3,397,840)	229,581,594
<b>Expenditures:</b>				
Current:				
Instructional services	183,465,486	178,760,492	4,704,994	160,567,090
Supporting services:				
Students	7,505,078	7,469,016	36,062	7,120,350
Instructional staff	15,587,640	13,962,178	1,625,462	12,265,069
District administration	1,057,502	980,621	76,881	912,301
School administration	16,194,744	15,919,864	274,880	14,768,301
Business	1,534,235	1,487,000	47,235	1,447,101
Operation and maintenance of facilities	22,544,230	21,955,182	589,048	20,070,514
Transportation	9,180,651	9,083,682	96,969	8,369,828
Central	4,146,011	3,947,620	198,391	3,721,912
Total expenditures	261,215,577	253,565,655	7,649,922	229,242,466
Excess (deficiency) of revenues over (under) expenditures	(6,127,214)	(1,875,132)	4,252,082	339,128
<b>Other financing sources (uses):</b>				
Transfer out	(130,000)	(150,000)	(20,000)	(130,000)
Net change in fund balances	(6,257,214)	(2,025,132)	4,232,082	209,128
<b>Fund balances - beginning</b>	31,576,124	31,576,124	-	31,366,996
<b>Fund balances - ending</b>	<u>\$ 25,318,910</u>	<u>\$ 29,550,992</u>	<u>\$ 4,232,082</u>	<u>\$ 31,576,124</u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues - Compared to Budget**  
**General Fund**

Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
<b>Local sources:</b>				
Property tax	\$ 38,641,896	\$ 39,058,492	\$ 416,596	\$ 36,139,977
Drivers education fees (behind-the-wheel)	160,000	158,834	(1,166)	132,196
Textbook fees	410,000	455,629	45,629	410,123
Interest from investments	2,682,621	3,028,338	345,717	1,748,141
Rental of buses	675,000	686,303	11,303	609,748
Other local revenues	1,233,276	1,249,480	16,204	1,120,764
Indirect school lunch costs	700,000	762,381	62,381	695,916
<b>Total local revenue</b>	<b>44,502,793</b>	<b>45,399,457</b>	<b>896,664</b>	<b>40,856,865</b>
<b>State sources:</b>				
Unrestricted minimum school program	106,859,771	106,859,738	(33)	97,507,241
Restricted minimum school program	28,721,670	27,869,954	(851,716)	26,349,951
Retirement and social security	28,060,385	28,051,841	(8,544)	26,357,789
Board leeway/voted leeway	3,935,210	3,828,925	(106,285)	2,832,276
Transportation reimbursement	4,980,912	4,980,912	-	5,170,955
Quality teaching block grant	6,003,775	5,937,762	(66,013)	5,994,039
Local discretionary block grant	2,184,467	2,183,676	(791)	2,138,777
Reading achievement program	2,138,633	1,704,305	(434,328)	488,353
Interventions for student success block grant	1,810,739	1,479,202	(331,537)	1,347,779
Special population programs	3,065,498	2,605,270	(460,228)	2,318,957
Drivers education (behind-the-wheel)	474,535	385,815	(88,720)	387,238
School trust land program	1,581,101	1,375,120	(205,981)	886,775
Supplemental supplies/textbooks	580,778	577,830	(2,948)	2,650,057
Other state revenues	1,710,922	1,392,145	(318,777)	966,333
<b>Total state revenue</b>	<b>192,108,396</b>	<b>189,232,495</b>	<b>(2,875,901)</b>	<b>175,396,520</b>
<b>Federal sources:</b>				
Title I	4,949,024	4,766,187	(182,837)	3,719,824
Title VI innovative programs	155,571	155,571	-	248,963
Neglected and delinquent	50,819	34,850	(15,969)	37,014
Title II-D educational technology	107,724	65,068	(42,656)	164,945
Migrant education	133,268	85,639	(47,629)	334,095
Handicapped	9,726,549	8,978,502	(748,047)	6,373,330
Applied technology education	597,920	609,527	11,607	540,209
Title II English language	230,441	202,591	(27,850)	108,313
Drug-free school	174,769	145,107	(29,662)	140,951
Federal class size/teacher quality	1,271,710	1,110,318	(161,392)	1,185,787
Other federal revenue	1,079,379	905,211	(174,168)	474,778
<b>Total federal revenue</b>	<b>18,477,174</b>	<b>17,058,571</b>	<b>(1,418,603)</b>	<b>13,328,209</b>
<b>Total revenue</b>	<b>\$ 255,088,363</b>	<b>\$ 251,690,523</b>	<b>\$ (3,397,840)</b>	<b>\$ 229,581,594</b>



**ALPINE SCHOOL DISTRICT**  
**Schedule of Expenditures - Compared to Budget**  
*General Fund*  
Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Instruction</b>				
Salaries:				
Certified teachers	\$ 101,222,073	\$ 100,573,965	\$ 648,108	\$ 96,032,661
Hourly teachers	8,687,395	7,847,533	839,862	8,115,398
Extra curricular addenda	33,800	23,869	9,931	110,707
Substitute teachers	1,935,527	1,461,950	473,577	1,480,305
Contract teacher aides	397,914	395,869	2,045	438,749
Hourly teacher aides	7,170,993	6,391,188	779,805	5,837,623
Total salaries	<u>119,447,702</u>	<u>116,694,374</u>	<u>2,753,328</u>	<u>112,015,443</u>
Employee benefits:				
Retirement	17,558,093	17,171,531	386,562	16,215,417
Social security	8,981,915	8,759,864	222,051	8,334,226
Group insurance	23,888,516	23,806,910	81,606	19,983,882
Industrial insurance	418,424	406,082	12,342	335,792
Unemployment insurance	70,000	21,899	48,101	34,499
Retirement Stipend	5,585,194	5,838,722	(253,528)	-
Total employee benefits	<u>56,502,142</u>	<u>56,005,008</u>	<u>497,134</u>	<u>44,903,816</u>
Purchased services:				
Drivers education insurance	29,902	29,902	-	27,718
Contracted services	1,785,977	1,230,734	555,243	963,107
UVSC registration	490,000	373,228	116,772	386,651
Activity field trips	382,780	574,645	(191,865)	454,550
Mileage and other travel	205,356	123,433	81,923	149,478
Total purchased services	<u>2,894,015</u>	<u>2,331,942</u>	<u>562,073</u>	<u>1,981,504</u>
Supplies and materials:				
Supplies	2,267,794	1,681,655	586,139	927,495
Textbooks	189,534	380,150	(190,616)	-
All other materials	50,130	29,203	20,927	26,765
Total supplies and materials	<u>2,507,458</u>	<u>2,091,008</u>	<u>416,450</u>	<u>954,260</u>
Instructional equipment	<u>2,114,169</u>	<u>1,638,160</u>	<u>476,009</u>	<u>712,067</u>
Total instruction	<u>183,465,486</u>	<u>178,760,492</u>	<u>4,704,994</u>	<u>160,567,090</u>
<b>Supporting services - students</b>				
Salaries:				
Guidance counselors	2,912,066	2,902,171	9,895	2,793,663
Physical therapist	85,870	85,555	315	89,413
Psychologist	942,246	938,587	3,659	828,706
Secretaries	577,133	554,451	22,682	550,698
Occupational	215,067	225,818	(10,751)	204,321
Total salaries	<u>4,732,382</u>	<u>4,706,582</u>	<u>25,800</u>	<u>4,466,801</u>
Employee benefits	<u>2,051,723</u>	<u>2,041,001</u>	<u>10,722</u>	<u>2,011,005</u>
Special education contracted services	365,633	365,633	-	635,968
Social workers contract	82,090	82,090	-	-
Utah County Health Department	255,000	262,406	(7,406)	-
Supplies and materials	18,250	11,304	6,946	6,576
Total supporting services - students	<u>7,505,078</u>	<u>7,469,016</u>	<u>36,062</u>	<u>7,120,350</u>

(continued)

**ALPINE SCHOOL DISTRICT**  
**Schedule of Expenditures - Compared to Budget**  
*General Fund*  
Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006		Variance with Final Budget - Positive (Negative)	2005
	Final Budgeted Amounts	Actual Amounts		Actual Amounts
<b>Supporting services - instructional staff</b>				
Salaries:				
Administrators	\$ 804,979	\$ 804,945	\$ 34	\$ 781,249
Supervisors	1,380,699	1,402,413	(21,714)	1,349,580
Sabbatical leave	118,417	103,539	14,878	110,897
Certificated media personnel	766,828	774,714	(7,886)	726,721
Technicians and secretaries	679,365	657,840	21,525	599,325
Media aides and specialists	1,177,356	1,141,447	35,909	1,082,406
Early retirement	2,612,111	1,388,461	1,223,650	2,406,923
Total salaries	7,539,755	6,273,359	1,266,396	7,057,101
Employee benefits	4,791,472	4,597,790	193,682	4,053,984
Early retirement benefits	1,922,598	1,922,598	-	-
Contracted services	103,500	30,679	72,821	32,922
State UIMC	41,000	39,361	1,639	39,361
Mileage/travel	39,550	28,056	11,494	29,733
Supplies and materials	248,700	260,668	(11,968)	261,764
Library books	757,990	724,901	33,089	702,662
Periodicals	49,000	15,177	33,823	18,480
Audio visual materials	63,000	49,222	13,778	49,086
Equipment	10,000	-	10,000	-
Professional dues	21,075	20,367	708	19,976
Total supporting services - instructional staff	15,587,640	13,962,178	1,625,462	12,265,069
<b>Supporting services - district administration</b>				
Salaries:				
School board	28,000	27,510	490	26,820
Superintendent	148,915	148,915	-	145,000
School business official	120,159	119,664	495	105,598
Secretaries and other	129,851	131,878	(2,027)	94,337
Total salaries	426,925	427,967	(1,042)	371,755
Employee benefits	184,927	179,986	4,941	149,794
Contracted services	1,750	-	1,750	1,000
Auditor services	51,870	49,025	2,845	48,300
Legal fees	75,000	45,359	29,641	68,823
Mileage	10,400	6,070	4,330	4,721
Liability insurance	206,000	204,534	1,466	189,756
Partnership program	2,000	2,000	-	2,000
Supplies and materials	49,800	33,220	16,580	24,079
Professional dues	23,830	22,385	1,445	22,440
Discretionary funds	25,000	10,075	14,925	29,633
Total supporting services - district administration	1,057,502	980,621	76,881	912,301
<b>Supporting services - school administration</b>				
Salaries:				
Principals	4,791,562	4,792,046	(484)	4,644,249
Assistant Principals	2,672,471	2,669,107	3,364	2,328,270
Activity supervision	134,112	129,408	4,704	118,466
Secretaries	3,242,396	3,105,334	137,062	2,976,610
Campus aides	196,967	196,385	582	194,250
Total salaries	11,037,508	10,892,280	145,228	10,261,845
Employee benefits	5,012,816	4,894,521	118,295	4,380,963
Mileage	101,000	88,392	12,608	86,442
Supplies and materials	23,500	24,751	(1,251)	19,551
Professional dues	19,920	19,920	-	19,500
Total supporting services - school administration	16,194,744	15,919,864	274,880	14,768,301

(continued)

**ALPINE SCHOOL DISTRICT**  
**Schedule of Expenditures - Compared to Budget**  
**General Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Supporting services - business</b>				
Salaries:				
Department directors	\$ 235,316	\$ 235,314	\$ 2	\$ 229,102
Accounting personnel	103,644	103,419	225	100,620
Purchasing agents	120,494	120,494	-	117,326
Technicians and secretaries	466,730	459,316	7,414	454,227
Mail delivery personnel	32,851	32,712	139	32,448
Total salaries	959,035	951,255	7,780	933,723
Employee benefits	429,835	418,851	10,984	389,924
Contracted services	32,450	43,600	(11,150)	30,862
Banking services	30,000	3,109	26,891	22,092
Equipment rental	2,100	2,855	(755)	1,027
Postage	40,000	37,117	2,883	39,447
Mileage	4,930	3,083	1,847	3,858
Conferences	6,750	4,288	2,462	3,445
Supplies and materials	28,050	21,757	6,293	21,855
Professional dues	685	685	-	515
Uniform allowance	400	400	-	353
Total supporting services - business	1,534,235	1,487,000	47,235	1,447,101
<b>Supporting services - operation and maintenance of facilities</b>				
Salaries:				
Department director	83,771	83,771	-	81,555
Maintenance coordinators	319,279	318,785	494	288,823
Secretaries	91,601	91,286	315	88,373
Contract maintenance workers	2,086,144	2,054,957	31,187	2,010,733
Hourly maintenance workers	326,000	329,530	(3,530)	354,012
Head custodians	2,117,452	2,120,101	(2,649)	2,044,346
Contract custodians	1,006,344	1,000,214	6,130	953,183
Hourly custodians	2,177,800	2,084,275	93,525	2,021,503
Total salaries	8,208,391	8,082,919	125,472	7,842,528
Employee benefits	3,579,297	3,455,370	123,927	3,173,163
Purchased services	54,030	36,305	17,725	33,062
Police services	258,606	244,718	13,888	163,589
Water and sewer	961,000	987,053	(26,053)	876,389
Garbage	350,000	320,685	29,315	292,508
Equipment repairs	171,970	128,580	43,390	149,479
Maintenance agreements	10,260	3,308	6,952	11,383
Building and equipment rental	62,863	50,115	12,748	83,267
Telephone	279,770	71,983	207,787	122,513
Property insurance	449,263	449,263	-	397,462
Mileage	5,900	4,583	1,317	5,599
Maintenance repairs and supplies	633,860	653,263	(19,403)	612,888
Gas heat	2,155,000	2,490,179	(335,179)	1,698,083
Electricity	5,250,000	4,823,833	426,167	4,477,758
Vehicle fuel	94,240	133,237	(38,997)	111,493
Professional dues	180	250	(70)	200
Uniform allowance	19,600	19,538	62	19,150
Total supporting services - operation and maintenance of facilities	22,544,230	21,955,182	589,048	20,070,514

(continued)

**ALPINE SCHOOL DISTRICT**  
**Schedule of Expenditures - Compared to Budget**  
**General Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Supporting services - transportation</b>				
Salaries:				
Pupil transportation director	\$ 64,486	\$ 64,486	\$ -	\$ 62,790
Transportation coordinators	96,781	96,781	-	112,233
Secretaries and technicians	195,663	195,058	605	187,496
Bus drivers	3,873,790	3,923,965	(50,175)	3,688,773
Special education bus assistants	769,717	745,200	24,517	696,982
Contract mechanics	213,416	213,207	209	206,477
Hourly mechanics	10,000	0	10,000	13,328
Early retirement	16,024	16,024	-	32,676
Total salaries	5,239,877	5,254,721	(14,844)	5,000,755
Employee benefits	2,276,407	2,208,117	68,290	2,047,332
Contracted services	5,000	12,562	(7,562)	5,304
Student allowance in-lieu	45,000	41,294	3,706	67,136
Property/liability insurance	193,647	193,717	(70)	179,883
Mileage/travel	3,950	3,018	932	2,108
Overnight meal reimbursement	1,500	1,070	430	1,103
Radio transmitter rental	3,000	2,280	720	2,280
Water and sewer	6,500	5,105	1,395	6,181
Telephone	2,500	638	1,862	2,071
Supplies	15,750	22,246	(6,496)	11,046
Vehicle fuel	1,000,000	945,591	54,409	670,740
Utilities	48,000	52,373	(4,373)	47,547
Oil and grease	24,000	31,898	(7,898)	29,640
Tire and tubes	63,000	79,008	(16,008)	47,889
Vehicle repair parts	237,920	218,212	19,708	238,229
Uniform allowance	600	595	5	589
Driver training expense	4,000	3,618	382	3,106
Driver physical exams	10,000	7,619	2,381	6,889
Total supporting services - transportation	9,180,651	9,083,682	96,969	8,369,828
<b>Supporting services - central</b>				
Salaries:				
Personnel administrators	102,875	102,875	-	98,887
Department directors	229,946	229,946	-	145,487
Technicians and secretaries	1,963,442	1,916,159	47,283	1,869,685
Total salaries	2,296,263	2,248,980	47,283	2,114,059
Employee benefits	1,167,451	1,117,678	49,773	1,023,469
Contracted services	96,187	81,124	15,063	45,734
Job study/evaluation	10,000	1,800	8,200	1,225
Computer maintenance and lease	183,180	148,518	34,662	168,696
Cell phone service	11,240	8,593	2,647	11,171
Mileage	12,280	12,693	(413)	9,132
Conventions and conferences	301,690	283,711	17,979	285,811
Supplies and other	67,720	44,523	23,197	62,615
Total supporting services - central	4,146,011	3,947,620	198,391	3,721,912
Total supporting services	77,750,091	74,805,163	2,944,928	68,675,376
Total expenditures	\$ 261,215,577	\$ 253,565,655	\$ 7,649,922	\$ 229,242,466

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Debt Service Fund*  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 5,550,012	\$ 4,790,925
Receivables - property taxes	<u>35,650,881</u>	<u>37,906,848</u>
Total assets	<u><u>\$ 41,200,893</u></u>	<u><u>\$ 42,697,773</u></u>
<b>Liabilities:</b>		
Deferred revenue - property taxes	<u>\$ 35,153,992</u>	<u>\$ 38,519,918</u>
<b>Fund balances:</b>		
Unreserved, undesignated for debt service	<u>6,046,901</u>	<u>4,177,855</u>
Total liabilities and fund balances	<u><u>\$ 41,200,893</u></u>	<u><u>\$ 42,697,773</u></u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Debt Service Fund**  
Year Ended June 30, 2006  
With Comparative Totals for 2005

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Property tax	\$ 37,476,163	\$ 37,880,191	\$ 404,028	\$ 32,539,601
Earnings on investments	394,206	570,516	176,310	306,493
Total revenues	37,870,369	38,450,707	580,338	32,846,094
<b>Expenditures:</b>				
Debt service:				
Bond principal	22,990,000	22,990,000	-	18,265,000
Bond interest	13,584,661	13,584,661	-	12,743,762
Paying agent fees	7,000	7,000	-	6,500
Total expenditures	36,581,661	36,581,661	-	31,015,262
Excess of revenues over expenditures	1,288,708	1,869,046	580,338	1,830,832
Net change in fund balances	1,288,708	1,869,046	580,338	1,830,832
<b>Fund balances - beginning</b>	4,177,855	4,177,855	-	2,347,023
<b>Fund balances - ending</b>	<u>\$ 5,466,563</u>	<u>\$ 6,046,901</u>	<u>\$ 580,338</u>	<u>\$ 4,177,855</u>

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Capital Projects Fund*  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 24,140,098	\$ 55,231,526
Receivables:		
Property taxes	19,556,668	10,162,647
Other local	122,343	578,324
Long term notes receivable	<u>2,638,979</u>	<u>4,823,657</u>
Total assets	<u>\$ 46,458,088</u>	<u>\$ 70,796,154</u>
<b>Liabilities:</b>		
Accounts payable	\$ 3,402,348	\$ 3,598,074
Deferred revenue:		
Property taxes	19,432,559	10,314,778
State	<u>109,741</u>	<u>152,183</u>
Total liabilities	<u>22,944,648</u>	<u>14,065,035</u>
<b>Fund balances:</b>		
Reserved for:		
Encumbrances	595,288	66,415
Notes receivable	2,638,979	4,823,657
Construction commitments	4,806,202	25,576,774
Unreserved:		
Designated for Micron development	702,604	410,695
Undesignated	<u>14,770,367</u>	<u>25,853,578</u>
Total fund balances	<u>23,513,440</u>	<u>56,731,119</u>
Total liabilities and fund balances	<u>\$ 46,458,088</u>	<u>\$ 70,796,154</u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Capital Projects Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Local sources:				
Property taxes	\$ 9,962,701	\$ 10,070,108	\$ 107,407	\$ 9,253,936
Earnings on investments	1,275,113	1,851,413	576,300	1,226,599
Micron RDA	-	291,909	291,909	162,668
Total local sources	11,237,814	12,213,430	975,616	10,643,203
State sources:				
Capital outlay foundation	8,077,381	8,077,381	-	7,544,930
Other	152,183	42,443	(109,740)	26,337
Total state sources	8,229,564	8,119,824	(109,740)	7,571,267
Total revenues	19,467,378	20,333,254	865,876	18,214,470
<b>Expenditures:</b>				
10% of basic for supplies	7,134,350	7,134,350	-	6,750,630
Land and buildings:				
Architect services	891,057	759,705	131,352	1,456,187
Miscellaneous fees	276,617	223,217	53,400	328,634
Payments to contractors	34,322,754	32,114,182	2,208,572	19,763,238
Land purchases	4,005,084	1,569,329	2,435,755	4,029,151
Land improvements	1,210,578	890,285	320,293	703,858
Building purchases	550,000	348,685	201,315	1,196,657
Building improvements	6,414,307	4,877,968	1,536,339	4,568,343
Total land and buildings	47,670,397	40,783,371	6,887,026	32,046,068
Equipment:				
Maintenance and custodial	100,000	78,903	21,097	105,405
Equipment support departments	255,300	211,256	44,044	286,139
New school and growth equipment	1,884,146	911,805	972,341	1,223,417
Computer software and hardware	2,518,000	2,177,350	340,650	-
Lease principal	860,000	860,000	-	921,798
Lease interest	75,481	75,481	-	-
Fitness equipment payoff	-	285,439	(285,439)	1,464,979
Other instructional equipment	800,638	919,815	(119,177)	1,209,427
Buses lease purchase	2,724,519	2,660,000	64,519	855,412
Other vehicles	250,000	238,947	11,053	199,344
Total equipment	9,468,084	8,418,996	1,049,088	6,265,921
Bond selling expense	-	-	-	165,971
Total expenditures	64,272,831	56,336,717	7,936,114	45,228,590
Excess (deficiency) of revenues over (under) expenditures	(44,805,453)	(36,003,463)	8,801,990	(27,014,120)
<b>Other Financing Sources (Uses):</b>				
General obligation bonds issued	-	-	-	35,815,000
Bond premium	-	-	-	608,787
Bus capital lease	2,660,000	2,660,000	-	-
Proceeds from capital assets	65,784	125,784	60,000	4,153,155
Total other financing sources (uses)	2,725,784	2,785,784	60,000	40,576,942
Net change in fund balances	(42,079,669)	(33,217,679)	8,861,990	13,562,822
Fund balances - beginning	56,731,119	56,731,119	-	43,168,297
Fund balances - ending	\$ 14,651,450	\$ 23,513,440	\$ 8,861,990	\$ 56,731,119



## **Nonmajor Governmental Funds**

### **Special Revenue Funds**

**School Lunch Fund** - This fund is used to account for the food service activities of the District as required by state and federal law. Financing is provided by local sales along with substantial subsidies from the State of Utah and the U.S. Government to help ensure that student's receive low cost, nutritionally balanced meals.

**Non K-12 Programs Fund** - This fund is used to account for programs that are not part of the basic educational program of kindergarten, elementary and secondary students. These areas include adult education and preschool for disabled students, which are funded primarily by the State of Utah and the U.S. Government. This fund was created July 1, 1991. The Community Recreation Fund was consolidated into the Non K-12 Programs Fund during the year ended June 30, 1994. As a result, this fund is also used to account for costs to provide for community educational and recreation activities, such as the Clear Creek summer education program, community school, District athletic programs, and building operation costs during these and other community activities. Financing is provided primarily by a recreation property tax levy, an operating fund transfer from the General Fund and student fees. City recreation departments are given \$1 per child from the District property tax levy. This annual property tax levy is authorized by Utah Code 11-2-7 and does not have a maximum statutory rate. Fees charged to the user provide additional funds as necessary.

**Alpine Transition & Employment Center (ATEC) Fund** - The ATEC Fund is used to account for operating a sheltered workshop for students with disabilities. Financing sources include, but are not limited to, sales of recyclable materials, laundry service, grants-in-aid, and state minimum school revenue for student attendance.

**Alpine School District Foundation Fund** - This fund is used to account for donations received by the District. The Foundation was formed September 18, 1984 as a tax-exempt public charity, to provide a continuing organization, outside the public school system, for the benefit of Alpine School District. The activities of the Foundation are governed by a twelve-member board of directors: a member of the Alpine School District Board of Education, a member of the association of classified employees of the District, a teacher employed by the District, a superintendent (or designee) of the District, and eight members from the general public. Although the Foundation's activities and records are operated and maintained separate from the District, the District is considered to be financially accountable for the Foundation.

**ALPINE SCHOOL DISTRICT**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2006**

	Special Revenue				Total Nonmajor Governmental Funds
	School Lunch	Non K-12 Programs	Alpine Transition & Employment Center	Alpine School District Foundation	
<b>Assets:</b>					
Cash and investments	\$ 3,809,679	\$ 1,567,992	\$ 1,323	\$ 2,205,807	\$ 7,584,801
Receivables:					
Property taxes	-	1,408,457	-	-	1,408,457
Other local	-	72,868	19,014	-	91,882
State	614,864	9,990	-	-	624,854
Federal	66,520	5,610	88,702	-	160,832
Due from other funds	-	-	-	29,943	29,943
Inventories	537,706	-	-	-	537,706
Total assets	<u>\$ 5,028,769</u>	<u>\$ 3,064,917</u>	<u>\$ 109,039</u>	<u>\$ 2,235,750</u>	<u>\$ 10,438,475</u>
<b>Liabilities:</b>					
Accounts payable	\$ 32,520	\$ 3,010	\$ 1,422	\$ -	\$ 36,952
Due to other funds	-	-	75,979	4,661	80,640
Deferred revenue:					
Property taxes	-	1,394,059	-	-	1,394,059
Other local	334,329	140,707	-	-	475,036
State	-	1,324,194	-	-	1,324,194
Total liabilities	<u>366,849</u>	<u>2,861,970</u>	<u>77,401</u>	<u>4,661</u>	<u>3,310,881</u>
<b>Fund balances:</b>					
Reserved for inventories	537,706	-	-	-	537,706
Unreserved:					
Designated for schools	-	-	-	2,061,394	2,061,394
Designated for compensated absences	10,924	-	18,290	-	29,214
Undesignated	4,113,290	202,947	13,348	169,695	4,499,280
Total fund balances	<u>4,661,920</u>	<u>202,947</u>	<u>31,638</u>	<u>2,231,089</u>	<u>7,127,594</u>
Total liabilities and fund balances	<u>\$ 5,028,769</u>	<u>\$ 3,064,917</u>	<u>\$ 109,039</u>	<u>\$ 2,235,750</u>	<u>\$ 10,438,475</u>

**ALPINE SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended June 30, 2006**

	Special Revenue				Total Nonmajor Governmental Funds
	School Lunch	Non K-12 Programs	Alpine Transition & Employment Center	Alpine School District Foundation	
<b>Revenues:</b>					
Property tax	\$ -	\$ 1,167,391	\$ -	\$ -	\$ 1,167,391
Student fees	-	211,305	-	-	211,305
Lunch sales	7,096,973	-	-	-	7,096,973
Earnings on investments	128,204	75,461	-	106,503	310,168
Other local revenues	-	61,820	350,691	784,452	1,196,963
State aid	2,116,075	1,874,832	-	-	3,990,907
Federal aid	6,569,435	517,626	468,664	-	7,555,725
Total revenues	15,910,687	3,908,435	819,355	890,955	21,529,432
<b>Expenditures:</b>					
Current:					
Instructional services	-	3,717,058	1,025,494	739,708	5,482,260
Supporting services:					
Operation and maintenance of facilities	-	273,865	-	-	273,865
School lunch services	14,427,648	-	-	-	14,427,648
Total expenditures	14,427,648	3,990,923	1,025,494	739,708	20,183,773
Excess (deficiency) of revenues over (under) expenditures	1,483,039	(82,488)	(206,139)	151,247	1,345,659
<b>Other financing sources:</b>					
Transfer in	-	-	150,000	-	150,000
Net change in fund balances	1,483,039	(82,488)	(56,139)	151,247	1,495,659
Fund balances - beginning	3,178,881	285,435	87,777	2,079,842	5,631,935
Fund balances - ending	\$ 4,661,920	\$ 202,947	\$ 31,638	\$ 2,231,089	\$ 7,127,594

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*School Lunch*  
**Nonmajor Special Revenue Fund**  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 3,809,679	\$ 2,654,100
Receivables:		
State	614,864	354,835
Federal	66,520	80,580
Inventories	537,706	410,454
Total assets	<u>\$ 5,028,769</u>	<u>\$ 3,499,969</u>
<b>Liabilities:</b>		
Accounts payable	\$ 32,520	\$ 24,329
Deferred revenue - other local	334,329	296,759
Total liabilities	<u>366,849</u>	<u>321,088</u>
<b>Fund balances:</b>		
Reserved for inventories	537,706	410,454
Unreserved:		
Designated for compensated absences	10,924	13,672
Undesignated	4,113,290	2,754,755
Total fund balances	<u>4,661,920</u>	<u>3,178,881</u>
Total liabilities and fund balances	<u>\$ 5,028,769</u>	<u>\$ 3,499,969</u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**School Lunch**  
**Nonmajor Special Revenue Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Local sources:				
Lunch sales - students	\$ 6,050,000	\$ 6,045,615	\$ (4,385)	\$ 5,819,936
Lunch sales - other	1,077,500	1,051,358	(26,142)	239,812
Earnings on investments	54,000	128,204	74,204	51,746
Total local sources	7,181,500	7,225,177	43,677	6,111,494
State sources:				
State lunch program	1,560,000	2,116,075	556,075	1,855,846
Total state sources	1,560,000	2,116,075	556,075	1,855,846
Federal sources:				
Federal lunch program	1,150,000	1,180,432	30,432	1,099,535
Free and reduced assistance	3,600,000	3,545,243	(54,757)	3,360,212
Breakfast program	650,000	718,395	68,395	632,211
Special milk	3,000	3,741	741	3,846
USDA commodities	950,000	1,081,742	131,742	868,565
Other	-	39,882	39,882	90,151
Total federal sources	6,353,000	6,569,435	216,435	6,054,520
Total revenues	15,094,500	15,910,687	816,187	14,021,860
<b>Expenditures:</b>				
Current:				
Salaries	4,704,192	4,464,846	239,346	4,294,306
Employee benefits	2,262,800	2,172,644	90,156	1,834,645
Purchased services	101,000	59,403	41,597	55,191
Supplies	350,000	309,367	40,633	288,137
Food	6,600,000	6,498,425	101,575	5,768,125
Equipment	150,000	146,782	3,218	97,769
Indirect cost allocation	700,000	762,381	(62,381)	695,916
Uniform allowance	13,800	13,800	-	13,422
Total expenditures	14,881,792	14,427,648	454,144	13,047,511
Net change in fund balances	212,708	1,483,039	1,270,331	974,349
Fund balances - beginning	3,178,881	3,178,881	-	2,204,532
Fund balances - ending	\$ 3,391,589	\$ 4,661,920	\$ 1,270,331	\$ 3,178,881

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Non K-12 Programs*  
**Nonmajor Special Revenue Fund**  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 1,567,992	\$ 1,285,356
Receivables:		
Property taxes	1,408,457	1,193,490
Local	72,868	-
State	9,990	-
Federal	5,610	301,491
Total assets	<u>\$ 3,064,917</u>	<u>\$ 2,780,337</u>
<b>Liabilities:</b>		
Accounts payable	\$ 3,010	\$ 13,392
Deferred revenue:		
Property taxes	1,394,059	1,211,169
Other local	140,707	118,263
State	1,324,194	1,152,078
Total liabilities	<u>2,861,970</u>	<u>2,494,902</u>
<b>Fund balances:</b>		
Unreserved, undesignated	<u>202,947</u>	<u>285,435</u>
Total liabilities and fund balances	<u>\$ 3,064,917</u>	<u>\$ 2,780,337</u>

**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Non K-12 Programs**  
**Nonmajor Special Revenue Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	<b>2006</b>		<b>2005</b>
	<b>Final Budgeted Amounts</b>	<b>Actual Amounts</b>	<b>Variance with Final Budget - Positive (Negative)</b>
			<b>Actual Amounts</b>
<b>Revenues:</b>			
Local sources:			
Property taxes	\$ 1,154,939	\$ 1,167,391	\$ 12,452
Community school fees	72,978	72,868	(110)
Summer school fees	143,749	138,437	(5,312)
Adult education fees	-	-	-
Earnings on investments	55,355	75,461	20,106
Miscellaneous revenues	49,005	61,820	12,815
Total local sources	1,476,026	1,515,977	39,951
State sources:			
Adult high school completion	429,058	434,218	5,160
Preschool	1,462,597	1,440,614	(21,983)
Total state sources	1,891,655	1,874,832	(16,823)
Federal sources:			
Special education preschool grant	231,232	231,232	-
Adult education	311,555	286,394	(25,161)
Total federal sources	542,787	517,626	(25,161)
Total revenues	3,910,468	3,908,435	(2,033)
<b>Expenditures:</b>			
Current:			
Salaries	2,399,843	2,487,248	(87,405)
Employee benefits	754,107	784,481	(30,374)
Purchased services	287,306	221,745	65,561
Utilities	273,865	273,865	-
Supplies	218,078	157,325	60,753
Textbooks and library books	2,230	-	2,230
Equipment	-	-	-
Other	101,000	66,259	34,741
Total expenditures	4,036,429	3,990,923	45,506
Net change in fund balances	(125,961)	(82,488)	43,473
Fund balances - beginning	285,435	285,435	-
Fund balances - ending	\$ 159,474	\$ 202,947	\$ 43,473

**ALPINE SCHOOL DISTRICT**  
**Comparative Balance Sheets**  
*Alpine Transition & Employment Center*  
**Nonmajor Special Revenue Fund**  
June 30, 2006 and 2005

	<u>2006</u>	<u>2005</u>
<b>Assets:</b>		
Cash and investments	\$ 1,323	\$ 4,862
Receivables:		
Local sources	19,014	18,226
Federal	<u>88,702</u>	<u>67,730</u>
Total assets	<u>\$ 109,039</u>	<u>\$ 90,818</u>
<b>Liabilities:</b>		
Due to other funds	\$ 75,979	\$ -
Accounts payable	<u>1,422</u>	<u>3,041</u>
Total liabilities	<u>77,401</u>	<u>3,041</u>
<b>Fund balances:</b>		
Unreserved:		
Designated for compensated absences	18,290	14,057
Undesignated	<u>13,348</u>	<u>73,720</u>
Total fund balances	<u>31,638</u>	<u>87,777</u>
Total liabilities and fund balances	<u>\$ 109,039</u>	<u>\$ 90,818</u>



**ALPINE SCHOOL DISTRICT**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual**  
**Alpine Transition & Employment Center**  
**Nonmajor Special Revenue Fund**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget - Positive (Negative)	Actual Amounts
<b>Revenues:</b>				
Local sources:				
Production sales	\$ 290,000	\$ 350,691	\$ 60,691	\$ 328,494
Earnings on investments	500	-	(500)	522
Total local sources	290,500	350,691	60,191	329,016
Federal sources:				
Disability services grant	591,511	468,664	(122,847)	483,562
Total revenues	882,011	819,355	(62,656)	812,578
<b>Expenditures:</b>				
Current:				
Salaries:				
Supervisory	73,315	73,315	-	70,932
Teaching	17,923	17,923	-	13,745
Specialists	521,585	497,539	24,046	493,487
Student incentive	131,000	120,286	10,714	120,050
Employee benefits	236,008	215,882	20,126	204,808
Purchased services	33,300	20,695	12,605	24,753
Capital outlay	3,000	-	3,000	77,155
Supplies and materials	69,600	79,854	(10,254)	54,318
Total expenditures	1,085,731	1,025,494	60,237	1,059,248
Excess (deficiency) of revenues over (under) expenditures	(203,720)	(206,139)	(2,419)	(246,670)
<b>Other financing sources:</b>				
Transfer in	130,000	150,000	20,000	130,000
Net change in fund balances	(73,720)	(56,139)	17,581	(116,670)
<b>Fund balances - beginning</b>	87,777	87,777	-	204,447
<b>Fund balances - ending</b>	\$ 14,057	\$ 31,638	\$ 17,581	\$ 87,777

**ALPINE SCHOOL DISTRICT**  
**Combining Statement of Fund Net Assets**  
**Internal Service Funds**  
June 30, 2006  
With Comparative Totals for 2005

	<u>2006</u>			<u>2005</u>
	<u>Industrial Insurance Fund</u>	<u>School Services Fund</u>	<u>Total</u>	<u>Total</u>
<b>Assets</b>				
Current assets:				
Cash and investments	\$ 616,873	\$ 442,184	\$ 1,059,057	\$ 817,511
Inventories	-	591,747	591,747	748,451
Total current assets	<u>616,873</u>	<u>1,033,931</u>	<u>1,650,804</u>	<u>1,565,962</u>
Capital assets:				
Land	-	15,701	15,701	15,701
Buildings and improvements	-	1,140,581	1,140,581	1,140,581
Furniture and equipment	-	464,885	464,885	464,885
Accumulated depreciation	-	(624,394)	(624,394)	(559,012)
Net capital assets	<u>-</u>	<u>996,773</u>	<u>996,773</u>	<u>1,062,155</u>
Total assets	<u>\$ 616,873</u>	<u>\$ 2,030,704</u>	<u>\$ 2,647,577</u>	<u>\$ 2,628,117</u>
<b>Liabilities and net assets</b>				
Liabilities:				
Current liabilities:				
Accounts payable	\$ 150,859	\$ 16,077	\$ 166,936	\$ 156,035
Compensated absences payable	-	16,399	16,399	19,164
Total current liabilities	<u>150,859</u>	<u>32,476</u>	<u>183,335</u>	<u>175,199</u>
Net assets:				
Invested in capital assets	-	996,773	996,773	1,062,155
Unrestricted	<u>466,014</u>	<u>1,001,455</u>	<u>1,467,469</u>	<u>1,390,763</u>
Total net assets	<u>466,014</u>	<u>1,998,228</u>	<u>2,464,242</u>	<u>2,452,918</u>
Total liabilities and net assets	<u>\$ 616,873</u>	<u>\$ 2,030,704</u>	<u>\$ 2,647,577</u>	<u>\$ 2,628,117</u>

**ALPINE SCHOOL DISTRICT**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**Year Ended June 30, 2006**  
**With Comparative Totals for 2005**

	2006			2005
	Industrial Insurance Fund	School Services Fund	Total	Total
<b>Operating revenues:</b>				
Industrial insurance premium	\$ 566,334	\$ -	\$ 566,334	\$ 466,827
Other services	-	727,937	727,937	678,148
Total operating revenues	566,334	727,937	1,294,271	1,144,975
<b>Operating expenses:</b>				
Salaries	57,768	331,884	389,652	367,240
Employee benefits	24,425	170,388	194,813	176,050
Medical fees	316,845	-	316,845	262,009
Compensation claim payments	93,360	-	93,360	62,557
Excess workers compensation insurance	51,719	-	51,719	45,451
Purchased services	73,306	51,029	124,335	117,442
Supplies and materials	847	92,742	93,589	74,858
Depreciation	-	65,382	65,382	59,306
Total operating expenses	618,270	711,425	1,329,695	1,164,913
Operating income (loss)	(51,936)	16,512	(35,424)	(19,938)
<b>Nonoperating income (expense):</b>				
Earnings on investments	19,723	2,481	22,204	12,590
State aid	-	24,544	24,544	24,000
Total nonoperating income (expense)	19,723	27,025	46,748	36,590
Change in net assets	(32,213)	43,537	11,324	16,652
<b>Net assets - beginning</b>	498,227	1,954,691	2,452,918	2,436,266
<b>Net assets - ending</b>	\$ 466,014	\$ 1,998,228	\$ 2,464,242	\$ 2,452,918

**ALPINE SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities**  
**Student Activities Agency Fund**  
**Year Ended June 30, 2006**

	<b>Balance at July 1, 2005</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance at June 30, 2006</b>
<b>Assets:</b>				
Cash and investments	\$ 6,441,185	\$ 14,894,226	\$ 14,365,672	\$ 6,969,739
<b>Liabilities:</b>				
Accounts payable	\$ 966,741	\$ 200,168	\$ 221,328	\$ 945,581
Due to student organizations:				
<b>Elementary Schools:</b>				
Alpine	7,815	102,350	108,416	1,749
Aspen	24,839	69,140	51,745	42,234
Barratt	21,041	70,438	76,305	15,174
Bonneville	17,309	46,600	43,699	20,210
Cascade	63,050	50,523	48,820	64,753
Cedar Ridge	60,466	79,662	70,094	70,034
Cedar Valley	22,014	4,606	8,047	18,573
Central	159,499	225,547	232,343	152,703
Cherry Hill	22,047	63,232	61,998	23,281
Deerfield	8,278	39,089	38,836	8,531
Eaglecrest	9,748	60,870	58,656	11,962
Eagle Valley	5,379	44,674	38,455	11,598
Foothill	17,158	62,046	64,148	15,056
Forbes	49,404	38,700	35,472	52,632
Freedom	36,308	78,256	66,977	47,587
Geneva	22,556	38,940	37,131	24,365
Greenwood	38,025	42,593	54,946	25,672
Grovecrest	25,612	49,481	47,574	27,519
Highland	12,633	72,324	67,893	17,064
Hillcrest	36,854	58,054	46,437	48,471
Legacy	20,308	68,319	63,992	24,635
Lehi	32,186	53,599	48,058	37,727
Lindon	26,199	58,431	60,180	24,450
Manila	78,624	72,973	68,199	83,398
Meadow	51,110	77,265	116,800	11,575
Mt. Mahogany	20,760	55,143	48,567	27,336
Northridge	50,804	78,978	73,726	56,056
Orchard	36,270	59,486	67,685	28,071
Orem	17,400	63,799	61,293	19,906
Pony Express	42,638	91,680	116,204	18,114
Rocky Mountain	28,453	94,845	90,925	32,373
Saratoga Shores	4,675	78,199	53,998	28,876
Scera Park	22,735	38,293	32,389	28,639
Sego Lily	59,770	84,553	82,586	61,737
Sharon	27,092	67,859	75,016	19,935
Shelley	53,789	52,832	50,869	55,752
Snow Springs	51,377	93,846	79,085	66,138
Suncrest	41,396	31,136	30,734	41,798
Valley View	16,623	48,778	48,684	16,717
Vineyard	65,424	47,594	43,916	69,102
Westfield	30,232	73,923	71,488	32,667
Westmore	42,042	46,481	53,966	34,557
Windsor	29,007	58,465	75,490	11,982
Total elementary schools	1,508,949	2,793,602	2,771,842	1,530,709

(continued)

**ALPINE SCHOOL DISTRICT**  
**Statement of Changes in Assets and Liabilities (Concluded)**  
**Student Activities Agency Fund**  
**Year Ended June 30, 2006**

	<u>Balance at July 1, 2005</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance at June 30, 2006</u>
<b>Liabilities (continued):</b>				
<b>Due to student organizations (continued):</b>				
<b>Junior High and Middle Schools:</b>				
American Fork Junior High	\$ 246,884	\$ 378,694	\$ 383,296	\$ 242,282
Canyon View Junior High	188,462	258,554	271,344	175,672
Lakeridge Junior High	203,974	326,072	283,375	246,671
Lehi Junior High	146,789	265,607	253,067	159,329
Mountain Ridge Junior High	214,371	331,472	299,080	246,763
Oak Canyon Junior High	191,533	317,542	292,855	216,220
Orem Junior High	235,706	205,936	234,033	207,609
Pleasant Grove Junior High	180,763	287,731	311,587	156,907
Timberline Middle School	129,480	290,141	206,989	212,632
Willowcreek Middle School	39,734	298,065	273,053	64,746
Total junior high schools	<u>1,777,696</u>	<u>2,959,814</u>	<u>2,808,679</u>	<u>1,928,831</u>
<b>High Schools and Special Purpose Programs:</b>				
American Fork High	348,783	1,590,810	1,609,193	330,400
Lehi High	176,085	1,117,810	846,611	447,284
Lone Peak High	118,975	1,713,312	1,734,352	97,935
Mt. View High	304,720	997,697	1,026,103	276,314
Orem High	212,572	891,131	828,765	274,938
Pleasant Grove High	118,462	1,220,178	1,145,686	192,954
Timpanogos High	175,890	977,707	949,773	203,824
Dan Peterson School	44,461	23,603	25,925	42,139
Alpine Life & Learning Center	436,128	349,133	389,431	395,830
Alpine Summit	251,723	59,261	7,984	303,000
Total high schools and special purpose programs	<u>2,187,799</u>	<u>8,940,642</u>	<u>8,563,823</u>	<u>2,564,618</u>
Total due to student organizations	<u>5,474,444</u>	<u>14,694,058</u>	<u>14,144,344</u>	<u>6,024,158</u>
Total liabilities	<u>\$ 6,441,185</u>	<u>\$ 14,894,226</u>	<u>\$ 14,365,672</u>	<u>\$ 6,969,739</u>

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## III. STATISTICAL SECTION

Unaudited

This part of the District's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	85-88
<b>Revenue Capacity</b>	
These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax.	89-92
<b>Debt Capacity</b>	
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	93-98
<b>Demographic and Economic Information</b>	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	99-100
<b>Operating Information</b>	
These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	102-114
<b>Continuing Disclosure Information</b>	
These schedules are required as part of the District's ongoing general obligation bonded debt disclosures and give additional information to investors about the financial trends and tax base of the District.	115-118

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year. As a result of the District implementing GASB Statement 34, government-wide information include information beginning with June 30, 2002.

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**ALPINE SCHOOL DISTRICT****Net Assets by Component****Last Five Fiscal Years****(accrual basis of accounting)**

<b>Fiscal Year Ended June 30,</b>	<b>Invested in capital assets, net of related debt</b>	<b>Restricted</b>	<b>Unrestricted</b>	<b>Total Net Assets</b>
2006	\$ 105,191,516	\$ 28,118,313	\$ 28,951,561	\$ 162,261,390
2005	81,875,847	37,996,322	27,888,420	147,760,589
2004	90,626,747	16,037,662	27,129,309	133,793,718
2003	83,915,492	13,081,886	20,831,062	117,828,440
2002	75,597,795	20,388,466	19,660,264	115,646,525



**ALPINE SCHOOL DISTRICT**  
**Changes in Net Assets**  
**Last Five Fiscal Years**  
**(accrual basis of accounting)**

	<b>Fiscal Year Ended June 30,</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Expenses:</b>					
Instructional services	\$ 210,181,919	\$ 189,801,783	\$ 175,794,023	\$ 171,268,542	\$ 166,655,802
Supporting services:					
Students	7,469,016	7,120,350	6,717,735	6,245,088	6,004,583
Instructional staff	13,962,178	12,265,069	11,494,762	11,030,085	10,162,189
District administration	1,084,328	1,018,030	1,069,320	991,405	813,339
School administration	16,019,661	15,278,227	14,087,085	12,825,066	13,410,248
Business	1,487,000	1,447,101	1,388,203	1,337,069	1,311,706
Operation and maintenance of facilities	23,623,378	21,363,860	19,026,906	18,441,627	18,299,010
Transportation	10,869,267	9,835,766	8,982,711	8,167,672	8,094,643
Central	3,993,885	3,765,643	3,693,099	3,454,922	3,665,382
School lunch services	14,542,698	13,083,817	12,992,515	12,653,346	11,302,946
Interest on long-term liabilities	13,211,871	13,076,464	12,658,142	11,193,538	9,615,657
Total expenses	<u>316,445,201</u>	<u>288,056,110</u>	<u>267,904,501</u>	<u>257,608,360</u>	<u>249,335,505</u>
<b>Program revenues:</b>					
Charges for services:					
Instruction	1,457,000	1,093,539	1,012,348	1,052,799	807,365
Supporting services	699,693	623,138	588,542	548,537	495,083
Nutrition services	7,096,973	6,059,748	5,967,748	4,926,325	4,939,712
Operating grants and contributions	76,913,518	69,381,963	64,287,872	62,077,218	59,751,266
Capital grants and contributions	8,077,381	7,544,930	6,703,439	6,556,199	6,309,586
Total program revenues	<u>94,244,565</u>	<u>84,703,318</u>	<u>78,559,949</u>	<u>75,161,078</u>	<u>72,303,012</u>
Net (expense)/revenue	(222,200,636)	(203,352,792)	(189,344,552)	(182,447,282)	(177,032,493)
<b>General revenues and other changes in net assets:</b>					
Property taxes	87,723,116	79,222,062	72,936,568	61,368,249	57,099,637
Federal and state aid not restricted to specific purposes	140,991,167	129,733,200	123,194,351	117,479,719	121,554,039
Earnings on investments	5,782,639	3,435,343	2,283,251	3,176,995	4,552,031
Miscellaneous	2,204,514	2,179,396	2,786,665	2,604,234	2,499,519
Special item - gain on sale of land and buildings	-	2,749,662	4,108,995	-	-
Total general and other changes in net assets	<u>236,701,436</u>	<u>217,319,663</u>	<u>205,309,830</u>	<u>184,629,197</u>	<u>185,705,226</u>
Change in net assets, governmental activities	<u>\$ 14,500,800</u>	<u>\$ 13,966,871</u>	<u>\$ 15,965,278</u>	<u>\$ 2,181,915</u>	<u>\$ 8,672,733</u>
<b>Revenue per pupil:</b>					
Local	\$ 1,917	\$ 1,754	\$ 1,674	\$ 1,499	\$ 1,460
State	3,676	3,526	3,408	3,462	3,599
Federal	449	386	391	324	291
Total revenue per pupil	<u>\$ 6,042</u>	<u>\$ 5,666</u>	<u>\$ 5,473</u>	<u>\$ 5,285</u>	<u>\$ 5,350</u>
<b>Expense per pupil</b>	<u>\$ 5,777</u>	<u>\$ 5,453</u>	<u>\$ 5,241</u>	<u>\$ 5,240</u>	<u>\$ 5,170</u>
<b>Student population</b>	54,773	52,825	51,118	49,159	48,226

**ALPINE SCHOOL DISTRICT**  
**Fund Balances, Governmental Funds**  
**Last Five Fiscal Years**  
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	General Fund			
	Reserved	Unreserved, Designated	Unreserved, Undesignated	Total
2006	\$ 21,043	\$ 28,738,870	\$ 791,079	\$ 29,550,992
2005	109,382	30,304,953	1,161,789	31,576,124
2004	253,233	29,882,992	1,230,771	31,366,996
2003	14,437	27,349,741	832,106	28,196,284
2002	64,864	24,860,931	719,055	25,644,850

Fiscal Year Ended June 30,	All Other Governmental Funds				
	Reserved	Unreserved			Total
		Special Revenue	Capital Projects	Debt Service	
2006	\$ 8,578,175	\$ 6,589,888	\$ 15,472,971	\$ 6,046,901	\$ 36,687,935
2005	30,877,300	5,221,481	26,264,273	4,177,855	66,540,909
2004	15,981,237	3,987,651	27,763,622	2,347,023	50,079,533
2003	26,613,422	4,031,977	49,010,903	1,526,097	81,182,399
2002	25,564,342	4,659,639	19,270,773	2,535,863	52,030,617

**ALPINE SCHOOL DISTRICT**  
**Changes in Fund Balances, Governmental Funds**  
**Last Five Fiscal Years**  
**(modified accrual basis of accounting)**

	<b>Fiscal Year Ended June 30,</b>				
	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
<b>Revenues:</b>					
Property taxes	\$ 88,176,182	\$ 79,003,896	\$ 72,886,489	\$ 61,318,480	\$ 56,626,841
Earnings on investments	5,760,435	3,422,753	2,272,729	3,012,981	4,346,791
School lunch sales	7,096,973	6,059,748	5,967,748	4,926,325	4,939,712
Other local sources	5,012,804	4,591,989	5,134,085	4,922,570	4,460,823
State aid	201,343,226	186,245,773	174,195,358	170,171,470	173,544,750
Federal aid	24,614,296	20,390,320	19,975,304	15,926,666	13,273,318
Total revenue	<u>332,003,916</u>	<u>299,714,479</u>	<u>280,431,713</u>	<u>260,278,492</u>	<u>257,192,235</u>
<b>Expenditures:</b>					
Current:					
Instructional services	191,377,102	172,246,333	159,646,723	153,193,606	150,016,750
Supporting services:					
Students	7,469,016	7,120,350	6,717,735	6,245,088	6,004,583
Instructional staff	13,962,178	12,265,069	11,494,762	11,030,085	10,162,189
District administration	980,621	912,301	867,318	790,055	728,555
School administration	15,919,864	14,768,301	13,749,792	12,834,755	12,475,213
Business	1,487,000	1,447,101	1,387,450	1,336,112	1,308,441
Operation and maintenance of facilities	22,229,047	20,228,989	18,170,148	17,631,231	17,565,299
Transportation	9,083,682	8,369,828	7,750,331	7,008,247	6,836,127
Central	3,947,620	3,721,912	3,690,648	3,450,357	3,658,980
School lunch services	14,427,648	13,047,511	13,198,877	12,865,769	10,774,098
Capital outlay	49,202,367	38,311,989	77,111,072	77,992,806	40,846,429
Debt service:					
Principal retirement	22,990,000	18,265,000	15,620,000	15,735,000	11,395,000
Interest and fiscal charges	13,591,661	12,750,262	12,402,730	10,400,502	9,465,562
Bond selling expenditures	-	165,971	625,877	858,019	-
Total expenditures	<u>366,667,806</u>	<u>323,620,917</u>	<u>342,433,463</u>	<u>331,371,632</u>	<u>281,237,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(34,663,890)</u>	<u>(23,906,438)</u>	<u>(62,001,750)</u>	<u>(71,093,140)</u>	<u>(24,044,991)</u>
<b>Other financing sources (uses):</b>					
Transfers	-	-	(84,278)	-	-
General obligation bonds issued	-	35,815,000	24,100,000	93,830,000	40,000,000
Bond premium	-	608,787	7,045,493	6,250,229	902,435
Refunding bonds issued	-	-	59,260,000	22,262,259	-
Payment to refunded bond escrow agent	-	-	(65,275,686)	(22,108,805)	-
Equipment capital lease	2,660,000	-	2,062,496	1,980,513	1,228,434
Sale of capital assets	125,784	4,153,155	6,961,571	117,867	209,497
Total other financing sources (uses)	<u>2,785,784</u>	<u>40,576,942</u>	<u>27,108,025</u>	<u>102,214,196</u>	<u>42,130,869</u>
Change in fund balances	<u>\$ (31,878,106)</u>	<u>\$ 16,670,504</u>	<u>\$ (34,893,725)</u>	<u>\$ 31,121,056</u>	<u>\$ 18,085,878</u>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>10.97%</b>	<b>10.50%</b>	<b>10.43%</b>	<b>10.14%</b>	<b>8.26%</b>

**ALPINE SCHOOL DISTRICT**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Tax Years**  
**December 31, 1996 through 2005**

Tax Year	Centrally Assessed	Residential	Industrial & Commercial	Agriculture	Personal	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
1996	\$ 227,912,734	\$ 2,749,407,395	\$ 1,476,832,116	\$ 245,799,299	\$ 518,796,689	\$ 5,218,748,233	0.005457	\$ 7,441,770,578	70.13%
1997	258,117,409	3,149,252,212	1,427,413,372	245,541,869	639,518,835	5,719,843,697	0.005524	8,264,864,021	69.21%
1998	244,503,127	3,301,942,323	1,517,982,906	227,087,759	691,743,939	5,983,260,054	0.006410	8,649,818,556	69.17%
1999	250,075,164	3,699,406,533	1,395,147,982	255,103,320	718,251,304	6,317,984,303	0.006962	9,308,388,125	67.87%
2000	257,029,821	4,070,540,022	1,515,854,866	267,679,503	682,175,665	6,793,279,877	0.006884	10,087,177,129	67.35%
2001	297,597,414	4,763,575,105	1,666,192,823	290,650,392	879,615,876	7,897,631,610	0.006769	11,753,690,436	67.19%
2002	279,609,047	5,085,541,049	1,997,803,922	290,875,681	688,098,047	8,341,927,746	0.006953	12,467,274,182	66.91%
2003	299,189,487	5,403,206,322	1,993,566,450	286,436,336	566,796,118	8,549,194,713	0.007884	12,923,827,879	66.15%
2004	278,990,359	5,858,940,716	2,082,701,126	306,552,124	540,558,856	9,067,743,181	0.008119	13,772,781,752	65.84%
2005	272,715,208	6,593,227,352	2,194,956,473	288,246,220	521,015,725	9,870,160,978	0.008082	15,193,311,932	64.96%

Source: Property Tax Division, Utah State Tax Commission

Note: Total Taxable Assessed Values were calculated by reducing the fair market/market value of primary residential property by 45%, representing a partial property tax exemption for such property.

**ALPINE SCHOOL DISTRICT**  
**Principal Property Tax Payers**  
**Current Year and Nine Years Ago**

Taxpayer	December 31, 2005			December 31, 1996		
	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)	Taxable Assessed Value	Rank	Percent of District's Total Taxable Value (1)
Micron Technology Inc.	\$ 169,345,078	1	1.9%	-		
University Mall Shopping Center	71,604,041	2	0.8%	34,248,180	4	0.35%
PacifiCorp	54,595,460	3	0.6%	60,735,820	2	0.62%
Qwest Communications	54,342,201	4	0.6%	44,819,200	3	0.45%
Basic Manufacturing and Technology	37,812,786	5	0.4%	-		
Kern River Transmission Co.	31,495,057	6	0.3%	16,858,780	5	0.17%
Timpanogos Regional Medical	26,227,977	7	0.3%	-		
Canopy Properties	21,096,250	8	0.2%	-		
Questar Gas (3)	17,256,045	9	0.2%	16,429,260	6	0.17%
AFCC Limited	15,805,674	10	0.2%	-		
Geneva Steel (2)				218,108,337	1	2.21%
Price Development(4)				12,696,127	7	0.13%
Individual (4)				10,753,876	8	0.11%
ZCMI (4)				8,868,729	9	0.09%
Signetics (4)				8,568,155	10	0.09%
Totals	<u>\$ 499,580,569</u>		<u>5.51%</u>	<u>\$ 432,086,464</u>		<u>3.45%</u>

Source: Utah County Assessor and State Tax Commission  
The District's total taxable value for 2005 was \$9,870,160,978

- (1) Excludes motor vehicles (fee-in-lieu and age based)
- (2) Geneva Steel was taken off the tax records in 2003
- (3) Questar Gas was called Mountain Fuel Supply in 1996
- (4) Companies taken off the tax records in 1998

# ALPINE SCHOOL DISTRICT

## Direct and Overlapping Property Tax Rates

### Last Ten Tax Years

(rate per \$1 of asessed value)

Fiscal Year Ended	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates	Tax Rates
December 30,	2005	2004	2003	2002	2001	2000	1999	1998	1997	1996
<b>District direct rates</b>										
Basic program (1)	0.001720	0.001800	0.001825	0.001807	0.001785	0.001881	0.001840	0.001840	0.001950	0.002046
Voted leeway (2)	0.001263	0.001300	0.001300	0.001149	0.001218	0.001300	0.001000	0.000692	0.000400	0.000400
Board leeway (3)	0.000389	0.000400	0.000400	0.000354	0.000375	0.000400	0.000400	0.000392	0.000400	0.000400
Special transportation (4)	0.000177	0.000182	0.000180	0.000090	0.000095	0.000101	0.000105	0.000106	0.000108	-
Recreation (5)	0.000107	0.000110	0.000109	0.000109	0.000116	0.000124	0.000128	0.000030	0.000031	0.000029
Tort Liability (6)	0.000031	0.000032	0.000032	0.000032	0.000034	0.000036	0.000037	0.000042	0.000043	-
Capital outlay (7)	0.000021	0.000022	0.000022	-	-	-	-	-	-	-
10% of Basic/other (8)	0.000902	0.000929	0.000919	0.000592	0.000627	0.000669	0.000692	0.000364	0.000327	0.000023
Debt service (9)	0.003472	0.003344	0.003097	0.002820	0.002519	0.002373	0.002760	0.002944	0.002265	0.002559
<b>Total Direct Rates</b>	<b>0.008082</b>	<b>0.008119</b>	<b>0.007884</b>	<b>0.006953</b>	<b>0.006769</b>	<b>0.006884</b>	<b>0.006962</b>	<b>0.006410</b>	<b>0.005524</b>	<b>0.005457</b>
<b>Overlapping Rates</b>										
Utah County	0.001040	0.001065	0.001053	0.001034	0.001038	0.001116	0.001197	0.001268	0.002084	0.001545
Alpine City	0.001091	0.001298	0.001316	0.001298	0.001298	0.001504	0.001261	0.001347	0.001366	0.001399
American Fork	0.002276	0.002298	0.002345	0.002377	0.002115	0.002308	0.002236	0.002470	0.002556	0.002661
Cedar Fort	0.000559	0.000860	0.000876	0.000895	0.000874	0.000939	0.000997	0.001009	0.001020	0.001074
Cedar Hills	0.001690	0.001700	0.001898	0.002142	0.001566	0.001778	0.001778	0.002044	0.002153	0.002227
Draper City (10)	0.001469	0.001327	0.001354	0.001337	0.001365	0.001122	0.000923	0.000906	0.000905	0.000905
Eagle Mountain	0.001789	0.001861	0.001692	0.001021	0.001041	0.001241	0.001263	0.001657	0.001781	-
Highland City	0.001459	0.001445	0.001460	0.001434	0.001461	0.001574	0.001312	0.001433	0.001453	0.001501
Lehi City	0.002663	0.002462	0.002541	0.002452	0.002552	0.002486	0.001861	0.001918	0.001886	0.001897
Lindon City	0.001862	0.001837	0.001874	0.001880	0.002018	0.002144	0.002186	0.002476	0.002506	0.002539
Saratoga Springs	0.001358	0.001559	0.001561	0.001495	0.001748	0.002015	0.002000	0.002503	-	-
Orem City	0.002036	0.001800	0.001698	0.001677	0.001727	0.001850	0.001959	0.001826	0.001852	0.001594
Pleasant Grove City	0.002349	0.002477	0.002617	0.002638	0.002640	0.002847	0.002773	0.003020	0.002673	0.003179
Vineyard City	0.002037	0.004736	0.002000	0.000998	0.000998	0.000877	0.000864	0.000863	0.001010	0.001010

#### Limitations per Utah State Statute:

- (1) Rate established annually by Utah State Legislature
- (2) Maximum rate is 0.001600
- (3) Maximum rate is 0.000400
- (4) Maximum rate is 0.000300
- (5) No maximum rate
- (6) Maximum rate is 0.000100
- (7) Maximum rate is 0.002400
- (8) Maximum rate based on formula and changes annually
- (9) No maximum rate, but must have voter approval for bonds issued
- (10) Part of Draper City is located in Salt Lake County.

Source: Utah Foundation *Statistical Review of Government in Utah* as compiled from property tax records of the Utah State Tax Commission and Utah Taxpayers.

Note: The Voted Leeway and the Board Voted Leeway tax rates for 1998-99 were higher than the former maximum tax rate of 0.000400 because the Utah State Tax Commission allowed a one-time judgment rate to be levied to cover the cost of a refund to a large taxpayer.

**ALPINE SCHOOL DISTRICT**  
**Property Tax Levies and Collections**  
**Last Seven Tax Years**  
**December 31, 1999 through 2005**

	Taxes Levied For The Calendar Year	Collected within the Calendar Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Final Redemption Distribution (1)		Total Collections plus Final Statement Amount	
		Amount	Percentage of Levy		Amount	Percentage of Levy	Taxes Collected	Percent of Levy	Total Taxes Collected	Total Percent of Levy
1999	\$ 40,870,998	\$ 37,826,544	92.55%	\$ 2,275,061	\$ 40,101,605	98.12%	\$ 190,959	0.47%	\$ 40,292,564	98.58%
2000	43,997,027	40,042,381	91.01%	3,224,138	43,266,519	98.34%	320,279	0.73%	43,586,798	99.07%
2001	49,306,875	43,579,782	88.38%	3,698,049	47,277,831	95.88%	67,705	0.14%	47,345,536	96.02%
2002	53,769,306	48,080,917	89.42%	4,140,765	52,221,682	97.12%	103,988	0.19%	52,325,670	97.32%
2003	63,257,573	56,730,269	89.68%	4,440,627	61,170,896	96.70%	202,375	0.32%	61,373,271	97.02%
2004	68,895,087	63,834,346	92.65%	4,308,669	68,143,015	98.91%	(971,282) (2)	-1.41%	67,171,733	97.50%
2005	75,265,951	69,096,482	91.80%	1,220,153	70,316,635	93.42%	226,272	0.30%	70,542,907	93.72%

\* Source: Utah County Treasurer's Office, summary, redemption and delinquent reports

This schedule recognizes collections on a calendar year (tax year) basis, whereas property tax collections reported in the basic financial statements are on a fiscal year basis

(1) The Final Redemption Distribution is the net amount recorded by Utah County Treasurer on the final tax statement. Per Utah County Treasurer this adjustment amount could be due to personal property adjustments or abatements.

(2) Geneva Steel Plant was taken off the tax records in 2003

**ALPINE SCHOOL DISTRICT**  
**Ratios of Outstanding Debt**  
**Last Ten Fiscal Years**

<b>Fiscal Year Ended June 30,</b>	<b>Outstanding General Obligation Bonds</b>	<b>Amount in Debt Service Fund</b>	<b>Net General Bonded Debt As Percentage of Taxable Value</b>	<b>Net Bonded Debt Per Capita</b>	<b>Net Bonded Debt Per Student</b>	<b>Capital Leases</b>	<b>Total Net Debt</b>	<b>Debt As Percentage of Taxable Value</b>
1997	\$ 136,500,000	\$ 1,227,914	2.62%	\$ 859	\$ 3,118	\$ -	\$ 135,272,086	2.59%
1998	128,635,000	-	2.25%	778	2,881	-	128,635,000	2.25%
1999	150,105,000	2,207,649	2.51%	882	3,305	-	147,897,351	2.47%
2000	169,965,000	2,935,175	2.69%	963	3,697	1,673,776	168,703,601	2.67%
2001	159,795,000	1,975,633	2.35%	859	3,400	1,524,265	159,343,632	2.35%
2002	188,400,000	2,535,863	2.39%	977	3,915	1,694,000	187,558,137	2.37%
2003	267,365,000	1,526,097	3.21%	1,343	5,481	2,458,705	268,297,608	3.22%
2004	275,280,000	2,347,023	3.22%	1,301	5,458	2,573,368	275,506,345	3.22%
2005	292,830,000	4,177,855	3.23%	1,435	5,605	-	288,652,145	3.18%
2006	269,840,000	6,046,901	2.73%	1,183	4,965	1,800,000	265,593,099	2.69%

Note: Detail regarding the District's outstanding debt can be found in the notes to the financial statements.



**ALPINE SCHOOL DISTRICT**  
**Overlapping and Underlying General Obligation Debt**  
**June 30, 2006**

<b>Taxing Entity</b>	<b>2006 Taxable Value (1)</b>	<b>District's Estimated Portion of Taxable Value</b>	<b>Estimated District Percentage</b>	<b>Entity's General Obligation Debt</b>	<b>District's Estimated Portion of Debt</b>
<b>Overlapping:</b>					
State of Utah	\$155,211,782,610	\$ 11,775,934,143	7.6	\$ 1,237,170,000	\$ 94,024,920
CUWCD (2)	91,958,591,216	11,775,934,143	12.8	144,313,311	18,472,104
Utah County	20,035,627,346	11,775,934,143	58.8	15,455,000	9,087,540
Total Overlapping					<u>121,584,564</u>
<b>Underlying:</b>					
Orem City	3,580,853,168	3,580,853,168	100.0	16,480,000	16,480,000
American Fork City (3)	1,153,088,077	1,153,088,077	100.0	18,939,000	590,000
Pleasant Grove City	1,076,787,032	1,076,787,032	100.0	313,000	313,000
Alpine City	633,600,921	633,600,921	100.0	210,000	210,000
Highland City (3)	919,195,387	919,195,387	100.0	6,365,000	
Total Underlying					<u>17,593,000</u>
Total Overlapping and Underlying General Obligation Debt.....					<u>\$ 139,177,564</u>
Total Overlapping General Obligation Debt (Excluding the State) (4).....					\$ 27,559,644
Total Direct General Obligation Bonded Indebtedness.....					<u>269,840,000</u>
Total Direct and Overlapping General Obligation Debt (Excluding the State) (4).....					<u>\$ 54,543,644</u>
Total Underlying General Obligation Debt.....					\$ 17,593,000
Total Direct General Obligation Bonded Indebtedness.....					<u>269,840,000</u>
Total Direct and Underlying General Obligation Debt.....					<u>\$ 287,433,000</u>
Total Overlapping and Underlying General Obligation Debt (Excluding the State) (4).....					\$ 45,152,644
Total Direct General Obligation Bonded Indebtedness.....					<u>269,840,000</u>
Total Direct, Overlapping and Underlying General Obligation Debt (Excluding the State) (4).....					<u>\$ 314,992,644</u>

- (1) 2006 taxable values are preliminary and subject to change. Taxable value used in this table *excludes* taxable value used to determine uniform fees on tangible personal property.
- (2) Central Utah Water Conservancy District ("CUWCD") outstanding general obligation bonds are limited ad valorem tax bonds. By law CUWCD may levy a tax rate of up to .000400 to pay for operation and maintenance expenses and any outstanding limited ad valorem tax bonds.
- (3) All or portions of these governmental entities outstanding general obligation debt are supported by user fee revenues from water or sewer. This District's portion of underlying general obligation debt does not include "user fee revenue" supported general obligation debt.
- (4) The State's general obligation debt is not included in overlapping debt because the State currently levies no property tax for payment of general obligation bonds.

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**ALPINE SCHOOL DISTRICT**  
**Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year)**  
**As of June 30, 2006**

		<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Series 1998	Principal	\$ 8,750,000	\$ 14,000,000	\$ 14,625,000	\$ -	\$ -
\$ 69,000,000	Interest	1,903,750	1,466,250	731,250	-	-
Series 1999	Principal	1,850,000	1,950,000	2,050,000	2,150,000	-
\$ 30,000,000	Interest	420,000	322,875	220,500	112,875	-
Series 2001	Principal	4,580,000	-	-	-	-
\$ 17,015,000	Interest	183,200	-	-	-	-
Series 2001A	Principal	175,000	125,000	225,000	125,000	4,325,000
\$ 40,000,000	Interest	243,438	236,438	231,250	221,688	216,250
Series 2002	Principal	2,280,000	2,345,000	2,440,000	8,755,000	5,075,000
\$ 68,090,000	Interest	2,829,513	2,755,413	2,673,338	2,581,838	2,144,088
Series 2003	Principal	3,075,000	3,150,000	3,225,000	3,325,000	3,425,000
\$ 47,175,000	Interest	1,768,481	1,695,450	1,616,700	1,519,950	1,420,200
Series 2004A	Principal	195,000	195,000	200,000	2,320,000	4,645,000
\$ 59,260,000	Interest	2,836,025	2,832,125	2,828,225	2,822,975	2,753,375
Series 2004B	Principal	1,300,000	1,350,000	1,405,000	1,465,000	1,525,000
\$ 24,100,000	Interest	972,775	920,775	866,775	807,063	748,463
Series 2005A	Principal	1,050,000	1,080,000	1,110,000	1,150,000	1,185,000
\$ 35,815,000	Interest	1,361,437	1,319,437	1,265,437	1,221,036	1,175,037
Total		<u>\$ 35,773,619</u>	<u>\$ 35,743,763</u>	<u>\$ 35,713,475</u>	<u>\$ 28,577,425</u>	<u>\$ 28,637,413</u>
Total Principal		\$ 23,255,000	\$ 24,195,000	\$ 25,280,000	\$ 19,290,000	\$ 20,180,000
Total Interest		<u>12,518,619</u>	<u>11,548,763</u>	<u>10,433,475</u>	<u>9,287,425</u>	<u>8,457,413</u>
Total		<u>\$ 35,773,619</u>	<u>\$ 35,743,763</u>	<u>\$ 35,713,475</u>	<u>\$ 28,577,425</u>	<u>\$ 28,637,413</u>

**ALPINE SCHOOL DISTRICT**  
**Debt Service Schedule of Outstanding General Obligation Bonds (Fiscal Year) (Continued)**  
**As of June 30, 2006**

2012	2013	2014	2015	2016	2017	2018	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,375,000
-	-	-	-	-	-	-	4,101,250
-	-	-	-	-	-	-	8,000,000
-	-	-	-	-	-	-	1,076,250
-	-	-	-	-	-	-	4,580,000
-	-	-	-	-	-	-	183,200
-	-	-	-	-	-	-	4,975,000
-	-	-	-	-	-	-	1,149,064
5,325,000	5,575,000	5,875,000	6,180,000	6,480,000	6,825,000	-	57,155,000
1,890,338	1,624,088	1,331,400	1,022,963	698,513	358,313	-	19,909,805
3,535,000	3,650,000	3,830,000	4,025,000	4,225,000	4,430,000	4,650,000	44,545,000
1,308,888	1,194,000	1,011,500	820,000	618,750	407,500	186,000	13,567,419
9,385,000	9,805,000	10,270,000	10,775,000	11,280,000	-	-	59,070,000
2,541,250	2,091,500	1,616,250	1,102,750	564,000	-	-	21,988,475
1,585,000	1,650,000	1,715,000	1,800,000	1,890,000	5,715,000	-	21,400,000
687,463	624,063	556,000	470,250	380,250	285,750	-	7,319,627
1,225,000	1,270,000	1,315,000	1,370,000	1,425,000	9,920,000	10,640,000	32,740,000
1,133,561	1,087,624	1,040,000	987,400	932,600	875,600	478,797	12,877,966
<u>\$ 28,616,500</u>	<u>\$ 28,571,275</u>	<u>\$ 28,560,150</u>	<u>\$ 28,553,363</u>	<u>\$ 28,494,113</u>	<u>\$ 28,817,163</u>	<u>\$ 15,954,797</u>	<u>\$ 352,013,056</u>
\$ 21,055,000	\$ 21,950,000	\$ 23,005,000	\$ 24,150,000	\$ 25,300,000	\$ 26,890,000	\$ 15,290,000	\$ 269,840,000
7,561,500	6,621,275	5,555,150	4,403,363	3,194,113	1,927,163	664,797	82,173,056
<u>\$ 28,616,500</u>	<u>\$ 28,571,275</u>	<u>\$ 28,560,150</u>	<u>\$ 28,553,363</u>	<u>\$ 28,494,113</u>	<u>\$ 28,817,163</u>	<u>\$ 15,954,797</u>	<u>\$ 352,013,056</u>

**ALPINE SCHOOL DISTRICT**  
**General Obligation Legal Debt Limit and Estimated Additional Debt Incurring Capacity**  
**Last Ten Years**

Year Ended June 30,	Actual Taxable Value	Fee in lieu/ Age Based Taxable Value Estimate (1)	Fair Market Value for Debt Incurring Capacity	a		b	c	d	a-b-c-d Estimated Additional Debt Incurring Capacity	b+c-d/a Percentage of Debt to Debt Limit (4)
				Debt Limit- 4% of Fair Market Value (2)	General Obligation Debt					
1997	\$ 7,441,950,578	\$ 448,203,914	\$ 7,890,154,492	\$ 315,606,180	\$ 136,500,000	\$ -	\$ -	\$ -	\$ 179,106,180	43.25%
1998	8,264,864,021	535,405,208	8,800,269,229	352,010,769	128,635,000	-	-	-	223,375,769	36.54%
1999	8,649,818,556	688,638,992	9,338,457,548	373,538,302	150,105,000	-	-	-	223,433,302	40.18%
2000	9,308,388,125	466,505,346	9,774,893,471	390,995,739	169,965,000	85,065	-	-	220,945,674	43.49%
2001	10,087,177,129	451,297,923	10,538,475,052	421,539,002	159,795,000	293,130	-	176,427	261,627,299	37.94%
2002	11,753,690,436	804,939,067	12,558,629,503	502,345,180	188,400,000	1,091,395	-	-	312,853,785	37.72%
2003	12,467,274,182	1,027,315,476	13,494,589,658	539,783,586	267,365,000	7,727,965	-	926,023	265,616,644	50.79%
2004	12,923,827,879	851,817,216	13,775,645,095	551,025,804	275,280,000	13,654,904	-	5,496,204	267,587,104	51.44%
2005	13,772,781,752	754,440,505	14,527,222,257	581,088,890	292,830,000	13,061,309	-	4,270,368	279,467,949	51.91%
2006	15,193,311,932	737,152,836	15,930,464,768	637,218,591	269,840,000	11,826,441	-	3,083,943	358,636,093	43.72%

- (1) For debt incuring capacity only, in computing the fair market value of taxable property in the District, the fair market value of all tax equivalent property (which value includes the values of motor vehicles, watercraft, recreational vehicles and all other tangible personal property required to be registered with the State) is included as a part of the fair market value of the taxable property in the District.  
Age based value estimate is included and fee in lieu is excluded after fiscal year 2001.
- (2) The general obligation indebtedness of the District is limited by Utah law to 4% of the fair market value of taxable property in the District. The legal debt margin (additional debt incuring capacity of the District) is based on estimated assessed value. As determined by the Utah State Auditor and Utah State Treasurer, the deferred amounts associated with debt issuances are to be included in the calculation of debt margin.
- (3) Before the year ended June 30, 2000 deferred amounts for issuance premium and deferred amounts on refunding were not taken into consideration for the legal debt limit.
- (4) For legal debt limit purposes under State law, the outstanding direct general obligation debt of the Board must be increased by the premium associated with debt issued and reduced by deferred amounts on refunding.  
As of June 30, 2006 general obligation debt is \$269,840,000 and the total premium is \$11,226,441, less the total deferred amount of \$3,083,943, resulting in total outstanding net direct debt of \$278,582,478.  
Outstanding net direct debt divided by the legal debt limit equals the percentage of debt to debt limit.

**ALPINE SCHOOL DISTRICT**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**

<b>Year Ended June 30,</b>	<b>Alpine District Estimated Population (1)</b>	<b>Utah County Estimated Population (2)</b>	<b>Utah County Total Personal Income (2)</b>	<b>Utah County Per Capita Income (3)</b>	<b>Utah County Unemployment Rate (4)</b>	<b>Estimated Construction Within Utah County (2)</b>	<b>Percentage of Students of Minority Ancestry (1)</b>
1997	158,941	317,881	\$ 5,151,261,605	\$ 16,205	3.0%	\$ 614,772	6.60%
1998	165,402	330,803	5,522,425,282	16,694	2.7%	619,722	7.07%
1999	170,152	340,304	5,716,086,288	16,797	3.1%	657,853	9.42%
2000	176,568	358,463	6,596,436,126	18,402	3.0%	721,693	10.93%
2001	185,947	371,894	7,304,370,054	19,641	3.0%	743,135	7.90%
2002	192,846	385,692	7,609,317,468	19,729	4.1%	824,155	8.83%
2003	199,028	398,056	7,803,091,768	19,603	5.7%	925,347	9.43%
2004	211,643	423,286	8,596,938,660	20,310	5.2%	889,518	9.79%
2005	204,110	408,220	8,730,880,000	21,646	4.8%	1,369,824	9.99%
2006	228,037	456,073	(5)	(5)	(5)	(5)	(5)

(1) Based on District estimates and data available to District personnel.

(2) Utah State Department of Workforce Services

(3) State of Utah Governor's Office of Planning and Budget, Revised, May 2006

(4) U.S. Department of Labor, Bureau of Labor Statistics, Local Area Unemployment

(5) Information not available

Certain data on this table are only available on a calendar year basis. The prior calendar year data is used for a given fiscal year.

According to the State of Utah Economic and Demographic Projections the population of Utah County will reach 456,073 by the end of the year 2006.

**ALPINE SCHOOL DISTRICT**  
**Principal Employers**  
**Current Year and Nine Years Ago**

Employer	2006		Employer	1997	
	Approximate Range of Numbers of Employees	Percent of County Total Estimated Population		Approximate Range of Numbers of Employees	Percent of County Total Estimated Population
Brigham Young University	17,000	3.73%	Brigham Young University	10,000 +	3.79%
Alpine School District	6,240	1.37%	Alpine School District	4,000-5,000	1.90%
Utah Valley State College	3,761	0.82%	Geneva Steel	2,000-3,000	1.05%
IHC Health Care Services	3,500	0.77%	Corel Corporation	1,000-2,000	0.63%
Nebo School District	2,698	0.59%	Novell, Inc.	1,000-2,000	0.63%
Provo City School District	2,600	0.57%	Provo City School District	1,000-2,000	0.63%
Convergys	1,800	0.39%	University Mall	1,000-2,000	0.63%
Nestle USA- Food Group Inc.	1,800	0.39%	Utah Valley State College	1,000-2,000	0.63%
Novell, Inc.	1,785	0.39%	NuSkin	1,125-1,550	0.56%
Totals	<u>41,184</u>	<u>9.03%</u>	Totals	<u>9,000-14,000</u>	<u>10.46%</u>

\*The number of employees within the District's boundaries for these employers is unavailable. Therefore, the number of employees listed represents an approximate range of number of employees, per Utah County records.

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**ALPINE SCHOOL DISTRICT**  
**Full-Time Equivalents (FTE) Employees**  
**Last Ten Fiscal Years**  
**June 30, 1997 through 2006**

<u>Position</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>General Fund</b>										
Superintendent	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Business Administrator	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Administrator	4.00	4.00	5.00	5.00	5.00	9.00	9.00	9.00	8.00	8.00
Supervisor-Director	14.70	16.20	15.70	15.70	15.21	14.20	15.20	14.20	17.20	17.20
Personnel Director	1.00	1.00	1.00	1.00	1.00	-	-	-	0.00	0.00
Administrative Assistant	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Public Information Spec.	0.75	0.75	0.75	0.75	0.75	-	-	-	-	-
Writing Assistant	-	-	-	-	-	1.00	1.00	1.00	-	-
Principal	48.55	49.05	49.05	50.05	54.05	54.05	56.05	59.05	62.05	62.05
Assistant Principal	22.00	21.00	34.50	34.50	35.88	35.38	34.00	35.00	36.00	40.00
Certified Teacher	1,779.64	1,893.66	1,935.52	1,975.02	2,008.07	2,078.99	2,078.28	2,182.16	2,277.32	2,374.61
Sabbatical Leave	1.50	1.50	2.00	2.00	2.50	1.00	1.00	2.50	3.00	2.50
Physical Therapist	1.00	1.00	1.00	1.00	1.00	1.00	1.80	1.80	1.80	1.80
Guidance Counselor	51.00	55.00	54.60	53.60	55.10	56.10	56.00	57.00	59.00	61.00
Occupational Therapist	2.00	2.00	2.50	2.50	2.50	2.45	3.25	4.25	4.45	4.45
Psychologist	16.05	18.75	18.55	18.55	18.05	16.60	16.20	18.50	20.60	20.80
Certified Media	14.00	15.00	15.00	15.00	15.00	15.00	15.00	16.00	17.00	17.00
Dept. Director/Supervisor	5.00	5.00	5.00	6.00	6.00	6.90	5.80	5.80	4.80	4.80
Accountant	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Secretary	112.63	125.13	126.13	128.13	133.50	136.25	138.25	142.25	148.75	154.25
Computer Program Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Purchasing Agent	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Classified Technician	23.80	24.80	24.80	42.80	45.80	59.44	58.94	59.44	63.89	61.95
Campus Assistant	12.41	13.22	12.22	12.22	12.22	12.22	12.22	12.28	13.90	13.90
Contract Teacher Assistant	51.39	50.89	48.33	48.52	43.71	34.13	29.70	24.63	24.07	21.82
Media Specialist/Assistant	40.60	43.24	43.24	44.12	46.75	47.64	49.40	51.16	53.80	53.80
Transportation Director	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80	0.80
Transportation Coordinator	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Driver Trainers	-	-	-	-	-	2.00	2.00	2.00	2.00	2.00
Bus Driver	83.08	91.40	91.40	91.40	91.40	90.28	90.31	90.28	90.41	90.16
Sp-Ed Bus Assistant	17.57	16.59	15.41	15.41	15.41	12.16	12.16	10.84	10.84	9.22
Mechanic	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Maintenance Coordinator	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00	5.00	5.00
Head Custodian	49.00	52.00	52.00	53.50	56.00	56.00	58.00	60.00	63.00	63.00
Contract Maintenance	43.00	47.00	47.00	48.00	50.00	51.00	51.00	51.00	52.00	52.00
Contract Custodian	31.75	33.75	33.75	33.75	33.75	33.75	33.75	35.75	37.75	37.75
Equip Maintenance	3.00	3.00	3.00	3.00	3.00	1.00	1.00	1.00	1.00	1.00
Mail-Money Delivery	1.13	1.13	1.13	1.13	1.69	1.69	1.69	1.69	1.69	1.69
<b>Total General Fund</b>	<u>2,450.35</u>	<u>2,605.86</u>	<u>2,658.38</u>	<u>2,722.45</u>	<u>2,773.14</u>	<u>2,850.03</u>	<u>2,851.80</u>	<u>2,969.38</u>	<u>3,096.12</u>	<u>3,198.55</u>

**ALPINE SCHOOL DISTRICT**  
**Full-Time Equivalents (FTE) Employees (Continued)**  
**Last Ten Fiscal Years**  
**June 30, 1997 through 2006**

<u>Position</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b><u>Food Service Fund</u></b>										
Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Coordinator	2.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Computer Technician	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Lunch Manager	31.63	38.63	43.63	50.63	53.63	53.63	55.75	57.75	56.75	51.15
Contract Lunch Worker	96.01	75.34	61.67	60.67	51.67	63.50	69.67	72.67	73.00	54.00
Lunch Money Delivery	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
<b>Total Food Service Fund</b>	<b>133.64</b>	<b>120.97</b>	<b>112.30</b>	<b>118.30</b>	<b>113.30</b>	<b>125.13</b>	<b>133.42</b>	<b>138.42</b>	<b>137.75</b>	<b>113.15</b>
<b><u>Non K-12 Program Fund</u></b>										
Supervisor-Director	2.95	2.95	2.95	2.95	2.95	3.45	3.45	2.95	2.95	2.95
Certified Teacher	12.50	12.00	14.00	14.00	11.50	12.05	13.38	16.55	15.55	16.55
Psychologist	0.75	0.75	0.75	0.75	0.75	1.00	1.00	1.00	1.00	0.75
Secretary	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Contract Teacher Assistant	7.25	3.44	3.44	3.44	1.44	-	-	-	-	-
Early Retirement	1.00	2.00	2.00	2.00	1.00	1.00	-	-	-	-
Sp-Ed Bus Assistant	3.50	3.50	3.06	3.06	3.06	3.06	3.06	2.63	2.63	2.63
<b>Total Non K-12 Program Fund</b>	<b>29.95</b>	<b>26.64</b>	<b>28.20</b>	<b>28.20</b>	<b>22.70</b>	<b>22.56</b>	<b>22.89</b>	<b>25.13</b>	<b>24.13</b>	<b>24.88</b>
<b><u>ATEC Fund</u></b>										
Supervisor/Director	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Certified Teacher	-	-	-	-	-	-	-	-	0.50	0.50
ATEC Specialist	7.07	7.07	8.38	8.38	5.64	4.76	4.76	5.76	4.88	4.88
<b>Total ATEC Fund</b>	<b>8.07</b>	<b>8.07</b>	<b>9.38</b>	<b>9.38</b>	<b>6.64</b>	<b>5.76</b>	<b>5.76</b>	<b>6.76</b>	<b>6.38</b>	<b>6.38</b>
<b><u>Industrial Insurance Fund</u></b>										
Risk Manager	-	1.00	1.00	1.00	-	0.10	0.20	0.20	0.20	0.20
Classified Technician	0.70	0.70	0.70	0.70	0.70	1.00	1.00	1.00	1.00	1.00
<b>Total Industrial Insurance Fund</b>	<b>0.70</b>	<b>1.70</b>	<b>1.70</b>	<b>1.70</b>	<b>0.70</b>	<b>1.10</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>	<b>1.20</b>
<b><u>School Services Fund</u></b>										
Classified Technicians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Warehouse Delivery	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
Secretary	1.00	1.00	1.00	1.00	-	-	-	-	-	-
<b>Total Warehouse Fund</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>8.00</b>	<b>7.00</b>	<b>7.00</b>	<b>7.00</b>	<b>6.00</b>	<b>6.00</b>	<b>6.00</b>
<b>Grand Total All Funds</b>	<b>2,632.71</b>	<b>2,773.24</b>	<b>2,819.96</b>	<b>2,890.03</b>	<b>2,925.48</b>	<b>3,013.58</b>	<b>3,024.07</b>	<b>3,148.89</b>	<b>3,376.01</b>	<b>3,352.16</b>

**ALPINE SCHOOL DISTRICT**  
**Expenditures by Function - General Fund**  
**Last Ten Fiscal Years**

Function	Year Ended June 30,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction	\$178,760,492 70.50%	\$162,290,140 69.87%	\$148,885,101 70.04%	\$141,928,853 70.22%	\$144,150,018 71.10%	\$131,421,981 70.71%	\$122,588,048 71.75%	\$117,953,921 72.31%	\$110,977,434 72.64%	\$104,902,471 72.93%
Support Services:										
Students	7,469,016 2.95%	7,331,759 3.16%	6,717,735 3.16%	6,245,088 3.09%	6,004,583 2.96%	5,637,027 3.03%	5,304,004 3.10%	5,195,226 3.19%	4,765,354 3.12%	4,209,197 2.93%
Instructional staff	13,962,178 5.51%	12,610,526 5.43%	11,494,762 5.41%	11,030,084 5.46%	10,162,189 5.01%	8,598,561 4.63%	7,541,588 4.41%	6,836,220 4.19%	6,398,868 4.19%	5,932,858 4.12%
General district administration	980,621 0.39%	932,110 0.40%	867,318 0.41%	790,056 0.39%	728,555 0.36%	762,873 0.41%	778,294 0.46%	705,057 0.43%	624,745 0.41%	631,516 0.44%
School administration	15,919,864 6.28%	15,067,461 6.49%	13,749,792 6.47%	12,834,754 6.35%	12,475,213 6.15%	12,050,660 6.48%	10,718,965 6.27%	10,394,645 6.37%	8,932,284 5.85%	8,236,777 5.73%
Business	1,487,000 0.59%	1,467,628 0.63%	1,387,450 0.65%	1,336,112 0.66%	1,308,441 0.65%	1,209,482 0.65%	1,078,547 0.63%	950,823 0.58%	885,492 0.58%	845,766 0.59%
Operation and maintenance of facilities	21,955,182 8.66%	20,585,273 8.86%	18,016,794 8.48%	17,483,753 8.65%	17,420,501 8.59%	17,228,930 9.27%	15,017,913 8.79%	14,504,486 8.89%	13,989,313 9.16%	13,278,360 9.23%
Transportation	9,083,682 3.58%	8,008,748 3.45%	7,750,331 3.65%	7,008,247 3.47%	6,836,127 3.37%	6,087,322 3.28%	5,331,344 3.12%	4,765,288 2.92%	4,604,011 3.01%	4,368,080 3.04%
Central	3,947,620 1.56%	3,991,796 1.72%	3,690,648 1.74%	3,450,358 1.71%	3,658,980 1.80%	2,868,237 1.54%	2,450,848 1.43%	1,754,633 1.08%	1,585,518 1.04%	1,398,329 0.97%
Other support	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	55,754 0.03%	51,918 0.03%	22,710 0.01%	44,138 0.03%
<b>Total</b>	<b>\$253,565,655</b>	<b>\$232,285,441</b>	<b>\$212,559,931</b>	<b>\$202,107,305</b>	<b>\$202,744,607</b>	<b>\$185,865,073</b>	<b>\$170,865,305</b>	<b>\$163,112,217</b>	<b>\$152,785,729</b>	<b>\$143,847,492</b>
October 1										
Pupil Count	54,773	52,825	51,118	49,159	48,266	47,096	45,824	45,208	44,694	43,719
Average Expenditures										
Per Pupil	\$ 4,629	\$ 4,397	\$ 4,158	\$ 4,111	\$ 4,201	\$ 3,947	\$ 3,729	\$ 3,608	\$ 3,418	\$ 3,290

Note: The totals on percentages may not equal an even 100.00% due to rounding.

**ALPINE SCHOOL DISTRICT**  
**Expenditures by Function Per Pupil - General Fund**  
**Last Ten Fiscal Years**

Function	Year Ended June 30,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Instruction	\$ 3,383 70.50%	\$ 3,071 69.87%	\$ 2,913 70.04%	\$ 2,887 70.22%	\$ 2,987 71.10%	\$ 2,790 70.71%	\$ 2,675 71.75%	\$ 2,609 72.31%	\$ 2,482 72.64%	\$ 2,399 72.93%
Support Services:										
Students	141 2.95%	139 3.16%	131 3.16%	127 3.09%	124 2.96%	120 3.03%	116 3.10%	115 3.19%	107 3.12%	96 2.93%
Instructional staff	264 5.51%	239 5.43%	225 5.41%	224 5.46%	211 5.01%	183 4.63%	165 4.41%	151 4.19%	143 4.19%	136 4.12%
District administration	19 0.39%	18 0.40%	17 0.41%	16 0.39%	15 0.36%	16 0.41%	17 0.46%	16 0.43%	14 0.41%	14 0.44%
School administration	301 6.28%	285 6.49%	269 6.47%	261 6.35%	258 6.15%	256 6.48%	234 6.27%	230 6.37%	200 5.85%	188 5.73%
Business	28 0.59%	28 0.63%	27 0.65%	27 0.66%	27 0.65%	26 0.65%	24 0.63%	21 0.58%	20 0.58%	19 0.59%
Operation and maintenance of facilities	415 8.66%	389 8.86%	352 8.48%	356 8.65%	361 8.59%	366 9.27%	328 8.79%	321 8.89%	313 9.16%	304 9.23%
Transportation	172 3.58%	152 3.45%	152 3.65%	143 3.47%	142 3.37%	129 3.28%	116 3.12%	105 2.92%	103 3.01%	100 3.04%
Central	75 1.56%	76 1.72%	72 1.74%	70 1.71%	76 1.80%	61 1.54%	53 1.43%	39 1.08%	35 1.04%	32 0.97%
Other support services	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	- 0.00%	1 0.03%	1 0.03%	1 0.01%	1 0.03%
Total	\$ 4,798	\$ 4,397	\$ 4,158	\$ 4,111	\$ 4,201	\$ 3,947	\$ 3,729	\$ 3,608	\$ 3,418	\$ 3,289
October 1 Pupil Enrollment	54,773	52,825	51,118	49,159	48,266	47,096	45,824	45,208	44,694	43,719

Note: The totals on percentages may not equal an even 100.00% due to rounding.

**ALPINE SCHOOL DISTRICT**  
**Nutrition Services - Facts and Figures**  
**Last Ten Fiscal Years**

	Year Ended June 30,									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Number of schools participating in:										
Lunch - regular schedule	63	62	59	57	55	52	51	51	51	49
Lunch - year round	1	1	1	1	1	1	4	4	4	4
Breakfast program	61	61	58	56	51	51	50	50	48	38
Student lunches served:										
Free	1,210,039	1,208,101	1,211,272	1,062,682	910,336	786,247	757,822	785,401	756,595	747,243
Reduced	3,561,873	549,202	519,082	484,700	460,577	458,910	454,471	461,984	432,398	409,870
Fully paid	590,683	3,472,085	3,256,138	3,357,148	3,313,110	3,081,479	2,927,532	2,760,494	2,498,448	2,253,636
Total	5,362,595	5,229,388	4,986,492	4,904,530	4,684,023	4,326,636	4,139,825	4,007,879	3,687,441	3,410,749
Adult lunches served	105,138	105,877	106,311	122,148	121,659	111,337	104,996	105,638	96,176	94,948
Student breakfasts served:										
Free	408,310	382,439	344,940	301,444	259,460	218,603	196,164	211,643	183,430	138,082
Reduced	93,568	78,341	60,591	59,689	53,919	53,234	56,776	48,621	36,256	24,553
Fully paid	205,380	184,580	151,116	158,821	145,166	140,069	120,087	114,961	97,005	57,827
Total	707,258	645,360	556,647	519,954	458,545	411,906	373,027	375,225	316,691	220,462
Number of serving days:										
Regular schedule	177	177	177	177	177	178	177	176	177	178
Year-round schedule	195	195	215	210	211	197	199	211	221	220
Weighted average	177	177.29	177.63	177.57	177.61	178.36	178.60	178.55	180.20	181.17
Average daily participation:										
Student lunch	30,249	29,497	28,072	27,620	26,373	24,258	23,179	22,447	20,463	18,826
Adult lunch	593	597	598	688	685	624	588	592	534	524
Student breakfast	3,989	3,640	3,134	2,928	2,582	2,309	2,089	2,102	1,757	1,217
October 1 pupil count (Kindergarten not included)	53,376	48,139	46,751	45,239	44,339	43,219	42,320	41,770	41,193	40,418
Percentage of students daily eating school lunch	56.67%	61.27%	60.05%	61.05%	59.48%	56.13%	54.77%	53.74%	49.68%	46.58%
October 1 count of benefits										
Students on free lunch	10,170	9,985	10,369	8,611	7,003	6,270	6,105	6,646	6,335	6,684
Student on reduced lunch	4,749	4,410	4,798	4,318	3,601	3,775	3,996	3,927	3,792	3,873
Percentage of students on:										
Free lunch	19.05%	20.74%	22.18%	19.03%	15.79%	14.51%	14.43%	15.91%	15.38%	16.54%
Reduced lunch	8.90%	9.16%	10.26%	9.54%	8.12%	8.73%	9.44%	9.40%	9.21%	9.58%
Total	27.95%	29.90%	32.44%	28.58%	23.92%	23.24%	23.87%	25.31%	24.58%	26.12%

**ALPINE SCHOOL DISTRICT**  
**Student Enrollment Statistics**  
**Last Ten Years**

<b>Year Ended June 30,</b>	<b>Average Daily Membership *</b>	<b>Average Daily Attendance</b>	<b>Attendance Percentage</b>	<b>Official State October 1 Enrollment Count</b>
1997	43,776	41,420	94.62%	43,719
1998	44,646	42,244	94.62%	44,694
1999	45,415	42,972	94.62%	45,208
2000	45,978	43,505	94.62%	45,824
2001	47,003	44,474	94.62%	47,096
2002	48,118	45,529	94.62%	48,266
2003	48,776	46,068	94.45%	49,159
2004	50,435	49,320	97.79%	51,118
2005	52,244	51,198	98.00%	52,825
2006	54,343	53,435	98.33%	54,773

\* In Fiscal Year 2003 the State Office of Education changed how the District determined the average daily membership. The totals for years prior to fiscal year 2003 have been changed to reflect the new method of obtaining the information.

**ALPINE SCHOOL DISTRICT**  
**History of High School Graduates**  
**Last Ten School Years**

<b>School Year</b>	<b>American Fork High</b>	<b>Lehi High</b>	<b>Lone Peak High</b>	<b>Mt. View High</b>	<b>Orem High</b>	<b>Pleasant Grove High</b>	<b>Timpanogos High</b>	<b>Alternative Programs</b>	<b>Total</b>
1997	608	273	-	610	553	401	199	76	4,717
1998	307	298	393	487	496	440	423	19	4,861
1999	331	257	382	496	470	464	446	38	4,883
2000	316	291	464	444	455	417	484	35	4,906
2001	305	287	464	443	460	378	497	112	4,947
2002	293	301	477	384	425	422	430	40	4,774
2003	291	310	467	371	358	401	388	16	4,605
2004	405	344	555	444	445	437	467	13	5,114
2005	340	340	485	375	357	420	368	5	4,695
2006	401	366	514	378	357	426	390	8	4,846

**ALPINE SCHOOL DISTRICT**  
**Number of Students Per Teacher**  
**Last Ten School Years**

Grade	School Year									
	2006	2005	2004	2003	2002	2001	2000	1999	1998	1997
Kindergarten	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00	23.00
1	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.00
2	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.10	21.00
3	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70
4	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70	24.70
5	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80
6	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80	26.80
7	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50
8	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50
9	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50	27.50
10	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50
11	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50
12	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50	25.50

Note: The amounts above represent budgeted ratios. Actual class sizes may be higher in various productivity models. For example, at the junior high levels staffing productivity models boost class sizes up to 34.5.



**ALPINE SCHOOL DISTRICT**  
**Capital Asset Information**  
**June 30, 2006**

School	Total Sq. Feet	Total C/Rooms	Site Acres	Year Built	Estimated 2006/07 Enrollment	Student Capacity
<b>ELEMENTARY SCHOOLS</b>						
Alpine Elementary	71,627	31	8.0	1965	828	775
Aspen Elementary	50,438	22	13.0	1980	585	550
Barratt Elementary	55,045	26	12.0	1977	601	650
Bonneville Elementary	68,469	33	10.0	1977	809	825
Cascade Elementary	55,613	26	10.0	1968	580	650
Cedar Ridge Elementary	74,982	37	10.0	1997	882	925
Cedar Valley Elementary	15,618	10	4.0	1907	126	250
Central Elementary	70,735	32	9.0	1950	481	800
Cherry Hill Elementary	70,028	34	10.0	1965	656	850
Deerfield Elementary	84,778	38	12.0	2002	959	950
Eaglecrest Elementary	76,549	39	10.0	1997	908	975
Eagle Valley Elementary	69,396	27	10.0	2004	739	675
Foothill Elementary	76,514	38	12.0	1999	600	950
Forbes Elementary	62,368	29	8.0	2003	627	725
Fox Hollow Elementary	87,724	35	9.5	2006	715	875
Freedom Elementary	89,805	43	10.0	2003	1,023	1,075
Geneva Elementary	61,169	26	11.0	1948	518	650
Greenwood Elementary	76,211	36	12.0	1956	647	900
Grovecrest Elementary	65,260	33	11.0	1955	755	825
Harvest Elementary	80,053	35	12.0	2006	811	875
Highland Elementary	71,055	34	10.0	1979	816	850
Hillcrest Elementary	53,113	24	10.0	1954	400	600
Legacy Elementary	77,886	37	10.0	1995	952	925
Lehi Elementary	58,559	30	10.0	1951	632	750
Lindon Elementary	63,156	29	10.0	1967	430	725
Manila Elementary	61,093	30	10.0	1983	800	750
Meadow Elementary	60,358	34	10.0	1981	716	850
Mount Mahogany Elementary	76,514	33	12.0	1999	829	825
Northridge Elementary	74,668	32	10.0	1979	755	800
Orchard Elementary	59,510	29	8.0	1983	705	725
Orem Elementary	73,231	29	11.0	1972	708	725
Pony Express Elementary	88,308	44	12.0	2002	1,157	1,100
Ridgeline Elementary	80,900	32	12.0	2006	551	800
Rocky Mountain Elementary	71,150	29	10.0	1996	724	725
Saratoga Shores Elementary	78,922	34	8.0	2005	950	850
Scera Park Elementary	49,185	26	9.0	1962	472	650
Sego Lily Elementary	80,627	38	10.0	1956	900	950
Sharon Elementary	61,420	30	10.0	1954	487	750
Shelley Elementary	67,835	40	10.0	1966	978	1,000
Snow Springs Elementary	81,427	41	12.0	2000	1,058	1,025
Suncrest Elementary	59,055	33	8.0	1986	483	825
Valley View Elementary	65,388	24	9.0	1966	468	600
Vineyard Elementary	71,340	30	11.0	2004	646	750
Westfield Elementary	76,514	34	12.0	2000	911	850
Westmore Elementary	59,781	29	10.5	1950	429	725
Windsor Elementary	66,805	30	12.0	1956	610	750

**ALPINE SCHOOL DISTRICT**  
**Capital Asset Information**  
**June 30, 2006**

<u>School</u>	<u>Total Sq. Feet</u>	<u>Total C/Rooms</u>	<u>Site Acres</u>	<u>Year Built</u>	<u>Estimated 2006/07 Enrollment</u>	<u>Student Capacity</u>
<b><u>Junior High/Middle School</u></b>						
American Fork Jr.	192,612	68	32.5	1975	1,533	1,700
Canyon View Jr.	169,175	56	25.0	1984	1,193	1,400
Lakeridge Jr.	162,214	53	21.0	1975	1,194	1,325
Lehi Jr.	156,446	53	22.5	1987	1,135	1,325
Mountain Ridge Jr.	161,781	49	26.8	1993	1,276	1,225
Oak Canyon Jr.	162,981	53	32.0	1993	1,224	1,325
Orem Jr.	163,465	53	20.0	1963	915	1,325
Pleasant Grove Jr.	180,037	55	24.0	1975	1,297	1,375
Timberline Middle School	170,000	51	24.0	2003	1,109	1,275
Willowcreek Middle School	170,000	51	30.0	2004	1,449	1,275
<b><u>High School</u></b>						
American Fork High	267,499	85	46.0	1959	1,644	2,125
Lehi High	222,403	76	29.0	1959	1,920	1,900
Lone Peak High	275,387	81	40.0	1997	2,034	2,025
Mountain View High	285,661	62	32.0	1980	1,395	1,550
Orem High	273,884	79	42.0	1956	1,286	1,975
Pleasant Grove High	196,929	76	34.0	1959	1,691	1,900
Timpanogos High	275,387	81	40.0	1996	1,442	2,025
<b><u>Speciality Schools</u></b>						
Dan Peterson	28,959	19	2.0	1981	124	475
East Shore/Summit	46,761	19	5.0	2005	283	475
ATEC	4,100	NA	2.0	1975	63	N/A
<b><u>Support Facilities</u></b>						
Warehouse - Lindon	27,000	NA	1.0	1995	NA	NA
Education Center	36,811	NA	5.0	1991	NA	NA
Clear Creek Camp	13,857	NA	65.0	1955	Varies	NA
Physical Facilities						
<b>Totals</b>	<b>6,793,531</b>	<b>2,585</b>	<b>1,071</b>		<b>56,624</b>	<b>64,625</b>

**ALPINE SCHOOL DISTRICT**  
**Teacher Full-Time Equivalents By Education Lane & Step**  
**June 30, 2006**

Step	Lane I B.S. Degree	Lane II B.S. Degree + 20 Sem. Hrs.	Lane III B.S. Degree + 20 Sem. Hrs.	Lane IVA Master Equivalent	Lane IV M.S. Degree	Lane IVB Master Equiv. + 20 Sem. Hrs.	Lane V M.S. Degree + 20 Sem. Hrs.	Lane VI M.S. Degree + 37 Sem. Hrs.	Lane VII Ph.D. Degree	Grand Total
1	220.7301	4.0000	5.7820	14.0714						244.5835
2	191.9970	4.0000	3.0000	11.0000			2.0000			211.9970
3	174.4133	9.0000	7.0000	14.4667				1.0000		205.8800
4	78.9335	16.2177	6.4620	17.1807			1.9140			121.7079
5	57.3801	27.7040	7.0000	17.4333	1.0000		1.7000		1.0000	115.2174
6	47.8328	21.7500	19.7140	14.1714	0.5000		4.5000		1.0000	111.4682
7	39.7740	20.0487	13.6667	18.1667	7.3200		4.0000		6.0000	108.9761
8	23.5417	28.5021	15.8214	18.6667	3.7140		2.0000		9.0000	101.9126
9	15.0714	19.5000	13.0000	27.9667	13.2140		8.0000		2.0000	105.5341
10	23.2820	17.4280	20.5000	19.7000	3.5000		3.5000		1.0000	92.9100
11	10.0000	12.5000	19.3811	11.5000	10.0000		2.5000		1.0000	71.8811
12	10.3894	11.5000	7.1667	14.5000	7.0700		7.0000		8.0000	65.6261
13	10.7381	13.2381	9.6667	10.0000	9.0000		9.7500		5.0000	67.3929
14	5.0000	6.7500	4.0000	14.0000	5.0000		5.0000		5.0000	44.7500
15	5.5000	11.1667	10.5000	12.0000	7.5000	2.0000	6.0000		1.0000	65.6667
16	7.2000	12.4249	12.0000	14.0000	10.5000		9.0000	9.2820		74.4069
17	5.5000	5.0000	16.0000	8.0000	27.0674	1.0000	4.0000	6.0000		72.5674
18	1.6667	6.5000	12.0000	8.0000	12.0000		2.0000	9.0000		51.1667
19	7.5000	4.0000	7.0000	9.0000	14.5000	3.0000	4.0000	8.0000		57.0000
20	1.8333	7.0000	7.0000	8.89	13.5714	2.0000	7.0000	5.0000		52.2947
21	3.7500	5.0000	5.7500	8.0000	14.6667	1.0000	4.0000	13.0000		55.1667
22	1.7500	1.0000	7.5000	8.0000	15.0000	4.0000	4.5000	4.0000	2.0000	47.7500
23	2.0000	4.0000	4.0000	5.0000	12.0000	1.0000	3.0000	7.0000	2.0000	40.0000
24	2.0000	1.0000	3.0000	2.0000	13.0000	5.0000		6.0000	1.0000	33.0000
25	4.0000	4.0000	11.5000	5.0000	17.2140	1.0000	1.0000	8.0000	1.0000	52.7140
26	2.0000	3.0000	3.0000	4.0000	17.0000	1.0000	4.0000	8.0000		42.0000
27	1.0000		3.0000		9.0000	9.0000	5.0000	8.0000	2.0000	37.0000
28	1.0000	2.0000	5.0000	5.0000	13.0000	2.0000	2.0000	10.0000		40.0000
29		2.0000	4.0000	2.0000	6.0000	7.5714	2.0000	7.0000		30.5714
30		1.0000	2.0000		8.0000	3.0000	4.0000	3.0000		21.0000
31				3.0000	2.0000	1.0000		1.0000		7.0000
32				2.0000		6.0000	1.0000	3.0000		12.0000
33	1.0000	1.0000	2.0000		3.0000			2.0000		9.0000
34		1.0000	1.0000			1.0000				3.0000
35				1.0000	2.0000	1.0000	1.0000	2.0000		7.0000
36		1.0000	1.0000			1.0000	1.0000	4.0000		8.0000
37			1.0000	1.0000		2.0000				4.0000
40				1.0000						1.0000
Grand	956.7834	284.2302	270.4106	329.7136	277.3375	54.5714	116.3640	188.0640	15.6667	2493.1414

ALPINE SCHOOL DISTRICT  
Teachers' Salary Schedule  
Fiscal Year 2005-2006

Step	Lane I B.S. Degree	Lane II B.S. Degree +20 Sem. Hrs.	Lane III B.S. Degree +37 Sem. Hrs.	Lane IVA Master Equivalency**	Lane IV M.S. Degree	Lane IVB Master Equiv. +20 Sem. Hrs.**	Lane V M.S. Degree +20 Sem. Hrs.	Lane VI M.S. Degree +37 Sem. Hrs.	Lane VII Ph.D. Degree
1	1.05 26,018	1.07 26,514	1.09 27,009	1.11 27,505	1.11 27,505	1.11 27,505	1.12 27,752	1.13 28,000	1.14 28,248
2	1.07 26,514	1.09 27,009	1.11 27,505	1.15 28,496	1.15 28,496	1.15 28,496	1.16 28,744	1.17 28,991	1.18 29,239
3	1.10 27,257	1.12 27,752	1.14 28,248	1.20 29,735	1.20 29,735	1.20 29,735	1.21 29,983	1.22 30,230	1.23 30,478
4	1.16 28,744	1.20 29,735	1.23 30,478	1.28 31,717	1.28 31,717	1.28 31,717	1.32 32,708	1.36 33,699	1.40 34,691
5	1.21 29,983	1.25 30,974	1.28 31,717	1.33 32,956	1.33 32,956	1.33 32,956	1.37 33,947	1.41 34,938	1.47 36,425
6	1.26 31,222	1.31 32,460	1.35 33,452	1.41 34,938	1.41 34,938	1.41 34,938	1.45 35,930	1.49 36,921	1.55 38,407
7	1.33 32,956	1.38 34,195	1.42 35,186	1.48 36,673	1.48 36,673	1.48 36,673	1.52 37,664	1.56 38,655	1.62 40,142
8	1.40 34,691	1.45 35,930	1.49 36,921	1.55 38,407	1.55 38,407	1.55 38,407	1.59 39,399	1.63 40,390	1.69 41,877
9	1.47 36,425	1.52 37,664	1.56 38,655	1.62 40,142	1.62 40,142	1.62 40,142	1.66 41,133	1.70 42,124	1.76 43,611
10	1.54 38,160	1.59 39,399	1.63 40,390	1.69 41,877	1.69 41,877	1.69 41,877	1.73 42,868	1.77 43,859	1.83 45,346
11	1.61 39,894	1.66 41,133	1.70 42,124	1.76 43,611	1.76 43,611	1.76 43,611	1.80 44,602	1.84 45,593	1.90 47,080
12	1.68 41,629	1.78 44,107	1.80 44,602	1.86 46,089	1.86 46,089	1.86 46,089	1.90 47,080	1.94 48,071	2.00 49,558
15			1.90 47,080	1.96 48,567	1.96 48,567	1.96 48,567	2.00 49,558	2.04 50,549	2.10 52,036
18			2.02 50,054	2.06 51,045	2.06 51,045	2.06 51,045	2.10 52,036	2.14 53,027	2.20 54,514
21				2.16 53,523	2.16 53,523	2.16 53,523	2.20 54,514	2.24 55,505	2.30 56,992
24				2.28 56,496	2.28 56,496	2.28 56,496	2.30 56,992	2.34 57,983	2.40 59,470
27						2.38 58,974	2.42 59,965	2.46 60,956	2.52 62,443

Salary Schedule Base \$ 24,779

This schedule provides a 2.70% increase on the 2004-2005 base of \$24,128  
\*.02 is added to the last step of lanes II thru VII for prior year \$500

\*\*Hours must be pre-approved. Refer to policy 4032 for qualification requirements

Summer School Rate	2004	25.15
	2005	25.30
	2006	25.98

**ALPINE SCHOOL DISTRICT**  
**Teacher Base Salaries,**  
**Last Ten Fiscal Years**

<b>Year Ended June 30,</b>	<b>Minimum Salary</b>	<b>Maximum Salary</b>	<b>Average District Salary (1)</b>	<b>Average State Salary (1)</b>
1997	\$ 20,996	\$ 46,432	\$ 30,654	\$ 31,867
1998	21,626	48,866	32,971	32,394
1999	22,323	51,514	32,515	34,007
2000	22,718	53,518	34,930	34,946
2001	23,991	57,123	36,129	36,441
2002	25,143	59,865	37,073	38,139
2003	25,143	59,865	37,521	38,040
2004	25,181	59,955	39,012	37,851
2005	25,334	60,320	38,628	38,789
2006	26,018	62,443	(2)	(2)

(1) Utah State Office of Education (USOE).

(2) Amounts not yet published by USOE.

**Note:** Amounts represent base salary and do not include additional amounts for career ladder, or fringe benefits such as health insurance, retirement, disability and so forth.

**ALPINE SCHOOL DISTRICT**  
**Statement of Net Assets**  
**Governmental Activities**

**As of June 30,**

	2006	2005	2004	2003	2002
<b>Assets:</b>					
Cash and investments	\$ 94,374,828	\$ 126,777,464	\$ 113,149,414	\$ 146,846,185	\$ 95,689,363
Accounts receivable:					
Property taxes	100,182,299	87,979,135	78,492,033	73,934,806	66,959,473
Local Sources	1,097,788	2,121,746	1,366,637	983,068	1,699,500
State	739,271	505,893	608,147	524,570	13,791,064
Federal	7,715,916	6,618,344	6,716,657	5,000,070	6,661,442
Note receivable	2,648,442	4,823,657	2,288,005	-	-
Inventories	1,129,453	1,158,905	1,301,580	1,063,042	1,213,328
Bond issuance costs, net of accumulated depreciation	1,445,316	1,621,455	1,622,767	1,260,823	490,899
Capital assets:					
Sites and construction in progress	67,732,431	59,049,308	104,002,984	96,707,826	53,323,141
Other capital assets, net of accumulated depreciation	310,258,119	296,830,232	239,375,811	193,825,813	181,529,960
<b>Total assets</b>	<b>587,323,863</b>	<b>587,486,139</b>	<b>548,924,035</b>	<b>520,146,203</b>	<b>421,358,170</b>
<b>Liabilities:</b>					
Accounts payable	5,241,068	4,616,915	7,965,314	9,651,899	7,082,671
Accrued interest	3,653,695	3,985,043	21,839,223	3,396,378	2,844,342
Accrued salaries	25,216,267	24,484,758	3,682,295	20,300,694	19,554,634
Deferred revenue:					
Property taxes	96,867,985	86,700,434	77,121,393	74,053,418	66,072,845
Other local	583,182	559,678	435,665	325,157	340,484
State	10,061,629	11,388,353	11,322,592	10,644,617	10,821,623
Federal	938	60,846	32,180	70,597	19,659
Noncurrent liabilities:					
Due within one year	26,443,821	27,865,471	24,045,736	20,562,743	19,074,647
Due in more than one year	256,993,888	280,064,052	268,685,919	263,312,260	179,900,740
<b>Total liabilities</b>	<b>425,062,473</b>	<b>439,725,550</b>	<b>415,130,317</b>	<b>402,317,763</b>	<b>305,711,645</b>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	105,191,516	81,875,847	90,626,747	83,915,492	75,597,795
Restricted for:					
School lunch	4,661,920	3,178,881	2,204,532	1,747,738	2,950,644
Non K-12 programs	231,996	321,300	238,919	193,249	154,250
Alpine Transition & Employment Center	31,638	87,777	204,447	268,089	246,129
Alpine Education Foundation	2,231,089	2,079,842	1,949,898	1,860,195	1,812,824
Debt service	3,975,993	2,009,857	451,590	-	619,645
Capital projects	16,985,677	30,318,665	10,988,276	9,012,615	14,604,974
Unrestricted	28,951,561	27,888,420	27,129,309	20,831,062	19,660,264
<b>Total net assets</b>	<b>\$ 162,261,390</b>	<b>\$ 147,760,589</b>	<b>\$ 133,793,718</b>	<b>\$ 117,828,440</b>	<b>\$ 115,646,525</b>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

**ALPINE SCHOOL DISTRICT**  
**General Fund**  
**Comparative Balance Sheets**

	As of June 30,				
	2006	2005	2004	2003	2002
<b>Assets:</b>					
Cash and investments	\$ 56,040,860	\$ 59,922,514	\$ 57,282,967	\$ 54,677,291	\$ 37,027,056
Accounts receivable:					
Property taxes	43,566,293	38,716,150	35,921,326	34,832,377	33,134,512
Local Sources	893,026	1,525,196	1,274,706	891,974	1,566,430
State	114,417	151,058	223,880	300,285	13,091,810
Federal	7,555,084	6,168,543	6,384,974	4,746,686	5,784,351
Due from other funds	80,640	5,963	10,884	11,290	-
Total assets	<u>108,250,320</u>	<u>\$ 106,489,424</u>	<u>\$ 101,098,737</u>	<u>\$ 95,459,903</u>	<u>\$ 90,604,159</u>
<b>Liabilities and Fund Balances:</b>					
Liabilities:					
Accounts payable	\$ 1,634,832	\$ 822,044	\$ 1,019,981	\$ 1,025,891	\$ 1,260,305
Accrued salaries	25,216,267	24,484,758	21,839,223	20,300,694	19,554,634
Due to other funds	29,943	15,135	6,900	7,665	9,594
Deferred revenue:					
Property taxes	43,081,508	39,301,769	36,423,002	36,065,175	33,881,898
Other local	108,146	144,656	146,127	38,862	141,184
State	8,627,694	10,084,092	10,264,328	9,754,735	10,092,035
Federal	938	60,846	32,180	70,597	19,659
Total liabilities	<u>78,699,328</u>	<u>74,913,300</u>	<u>69,731,741</u>	<u>67,263,619</u>	<u>64,959,309</u>
<b>Fund balances:</b>					
Reserved for:					
Encumbrances	21,043	109,382	253,233	14,437	64,864
Unreserved:					
Designated, reported in:					
General fund for:					
Undistributed reserve	10,300,000	10,300,000	10,300,000	10,300,000	10,300,000
Compensated absences	1,692,337	1,633,781	1,594,411	1,521,406	1,460,280
School allocation for textbooks	1,184,837	1,128,464	900,400	-	-
Early retirement incentive	1,317,260	4,627,909	5,086,008	5,679,250	6,139,976
Early retirement health benefits	10,706,155	6,200,141	5,656,385	4,545,129	3,706,546
Health and accident insurance	-	-	3,345,788	3,303,956	3,254,129
Post retirement health benefits (A)	-	3,000,000	3,000,000	2,000,000	-
Post retirement health benefits (B)	3,538,281	3,414,658	-	-	-
Undesignated	791,079	1,161,789	1,230,771	832,106	719,055
Total fund balances	<u>29,550,992</u>	<u>31,576,124</u>	<u>31,366,996</u>	<u>28,196,284</u>	<u>25,644,850</u>
Total liabilities and fund balances	<u>\$ 108,250,320</u>	<u>\$ 106,489,424</u>	<u>\$ 101,098,737</u>	<u>\$ 95,459,903</u>	<u>\$ 90,604,159</u>

Source: Information taken from the District's audited financial statements. This summary itself has not been audited.

**ALPINE SCHOOL DISTRICT  
General Fund**

**Comparative Statements of Revenues, Expenditures, and Changes in Fund Balances**

	Proposed Budget	Fiscal Year Ended June 30,				
	2007	2006	2005	2004	2003	2002
<b>Revenues:</b>						
Property taxes	\$ 41,873,895	\$ 39,058,492	\$ 36,139,977	\$ 34,548,048	\$ 30,266,794	\$ 29,338,209
Earnings on investments	2,915,402	3,028,338	1,748,141	1,135,183	1,311,196	2,104,769
Other local sources	3,264,107	3,312,627	2,968,747	2,831,596	2,834,317	2,673,628
State of Utah	203,919,984	189,232,495	175,396,520	164,333,066	160,556,210	164,238,708
Federal government	18,207,089	17,058,571	13,328,209	13,012,750	9,820,222	8,495,671
Total revenues	270,180,477	251,690,523	229,581,594	215,860,643	204,788,739	206,850,985
<b>Expenditures:</b>						
Instruction	189,095,630	178,760,492	160,567,090	148,885,101	141,928,852	144,150,018
Support services:						
Students	7,969,917	7,469,016	7,120,350	6,717,735	6,245,088	6,004,583
Instructional staff	12,791,134	13,962,178	12,265,069	11,494,762	11,030,085	10,162,189
District administration	1,125,333	980,621	912,301	867,318	790,055	728,555
School administration	17,453,564	15,919,864	14,768,301	13,749,792	12,834,755	12,475,213
Business	1,616,125	1,487,000	1,447,101	1,387,450	1,336,112	1,308,441
Operation and maintenance of facilities	25,338,516	21,955,182	20,070,514	18,016,794	17,483,754	17,420,501
Transportation	10,064,288	9,083,682	8,369,828	7,750,331	7,008,247	6,836,127
Central	4,435,970	3,947,620	3,721,912	3,690,648	3,450,357	3,658,980
Total expenditures	269,890,477	253,565,655	229,242,466	212,559,931	202,107,305	202,744,607
Excess of revenues over expenditures	290,000	(1,875,132)	339,128	3,300,712	2,681,434	4,106,378
<b>Other financing sources:</b>						
Transfers	(130,000)	(150,000)	(130,000)	(130,000)	(130,000)	(130,000)
Total other financing sources	(130,000)	(150,000)	(130,000)	(130,000)	(130,000)	(130,000)
Net change in fund balance	160,000	(2,025,132)	209,128	3,170,712	2,551,434	3,976,378
<b>Fund balances - beginning</b>	<b>25,318,910</b>	<b>31,576,124</b>	<b>31,366,996</b>	<b>28,196,284</b>	<b>25,644,850</b>	<b>21,668,472</b>
<b>Fund balances - ending</b>	<b>\$ 25,478,910</b>	<b>\$ 29,550,992</b>	<b>\$ 31,576,124</b>	<b>\$ 31,366,996</b>	<b>\$ 28,196,284</b>	<b>\$ 25,644,850</b>



**ALPINE SCHOOL DISTRICT**  
**Historical Summaries of Taxable Values of Property**  
**For the Tax Years Ended December 31, 2001, through 2005**

	2005		2004		2003		2002		2001	
	Taxable Value	% of T.V.	Taxable Value		Taxable Value		Taxable Value		Taxable Value	
Set by State Tax Commission- Centrally Assessed	\$ 272,715,208	2.8	\$ 278,990,359		\$ 299,189,487		\$ 279,609,047		\$ 297,597,414	
Set by County Assessor- Locally Assessed:										
Real Property:										
Residential real estate-primary use	6,494,843,046	65.8	5,739,309,647		5,334,599,995		5,030,150,769		4,704,675,858	
Other residential real estate	98,384,306	1.0	119,631,069		68,606,327		55,390,280		58,899,247	
Commercial and industrial real estate	2,194,956,473	22.2	2,082,701,126		1,993,566,450		1,997,803,922		1,666,192,823	
Farmland Assessment Act FAA	262,094,238	2.7	8,233,307		266,823,853		272,670,718		259,304,278	
Unimproved non FAA	8,076,968	0.1	277,812,286		19,612,483		18,204,963		31,346,114	
Agricultural	18,075,014	0.2	20,506,531							
Total Real Property	9,076,430,045	92.0	8,248,193,966		7,683,209,108		7,374,220,652		6,720,418,320	
Personal Property:										
Mobile homes-primary residential use	11,230,342	0.1	11,293,051		12,173,875		11,939,320		8,284,929	
Mobile homes-other use	-	-	-		2,200,939					
Commercial and industrial property	509,785,383	5.2	529,265,805		552,421,304		676,158,727		871,330,947	
Total Personal Property	521,015,725	5.3	540,558,856		566,796,118		688,098,047		879,615,876	
Total Locally Assessed	9,597,445,770	97.2	8,788,752,822		8,250,005,226		8,062,318,699		7,600,034,196	
Total Taxable Property	\$ 9,870,160,978	100.0	\$ 9,067,743,181		\$ 8,549,194,713		\$ 8,341,927,746		\$ 7,897,631,610	

Source: Property Tax Division, Utah State Tax Commission.

**ALPINE SCHOOL DISTRICT**  
**SINGLE AUDIT AND STATE OF UTAH**  
**LEGAL COMPLIANCE REPORTS**

Year Ended June 30, 2006

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**ALPINE SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
Year Ended June 30, 2006

Grantor/Pass-through Grantor/Program Title	CFDA Number	USOE Revenue Code	District's Program Number	(Deferral) Receivable July 1, 2005	Received	Expended	(Deferral) Receivable June 30, 2006
<b>U.S. DEPARTMENT OF AGRICULTURE:</b>							
Passed Through Utah State Office of Education:							
Food Donation	10.550		4577	\$ -	\$ 1,081,742	\$ 1,081,742	\$ -
School Breakfast Program	10.553	44	4574	515	715,142	718,395	3,768
National School Lunch Program	10.555	42	4571	534	1,175,248	1,180,432	5,718
National School Lunch Program	10.555	43	4572	1,515	3,529,616	3,545,243	17,142
Special Milk Program for Children	10.556	41	4573	-	3,731	3,741	10
Summer Food Service Program for Children	10.559	48	4579	78,016	78,016	39,882	39,882
				80,580	6,583,495	6,569,435	66,520
<b>U.S. DEPARTMENT OF EDUCATION:</b>							
Direct Programs:							
Indian Education—Grants to Local Educational Agencies	84.060		7615	16,778	48,161	37,223	5,840
Safe and Drug-Free Schools and Communities - National Programs	84.184		7184	55,464	241,092	203,796	18,168
Fund for the Improvement of Education	84.215		7180	-	46,333	137,593	91,260
Passed Through Nebo School District:							
Innovative Education Program Strategies	84.298		7940	(9,561)	-	8,623	(938)
Passed Through Provo School District:							
Special Education - State Program Improvement Grants for Children with Disabilities	84.323		7360	(47,680)	-	47,680	-
Passed Through Utah Valley State College:							
Tech-Prep Education	84.243		6962	(3,606)	39,761	43,367	-
Passed Through Utah State Office of Education:							
Adult Education - State Grant Program	84.002	33	7580	301,491	582,275	286,394	5,610
Title I Grants To Local Educational Agencies	84.010	08	7513	847,964	3,729,035	4,641,961	1,760,890
Migrant Education - State Grant Program	84.011	15	7548	101,938	138,625	85,639	48,952
Title I Program for Neglected and Delinquent Children	84.013	13	7547	16,171	33,495	34,850	17,526
Special Education - Grants to States	84.027	19	7361/7366	2,812,863	7,398,410	8,978,502	4,392,955
Vocational Education - Basic Grants to States	84.048	21	6915/6901	540,209	540,209	609,527	609,527
English Language Acquisition Grants	84.365	73	7628	83,280	234,858	202,591	51,013
Special Education - Preschool Grants	84.173	52	7367	-	231,232	231,232	-
Safe and Drug-Free Schools	84.186	09	7601	120,543	233,457	145,107	32,193
State Grants for Innovative Programs	84.298	90	7418	220,376	370,222	155,571	5,725
Twenty-First Century Community Learning Centers	84.287	60	7910	110,047	316,403	280,021	73,665
Education Technology State Grants	84.318	07	7538	106,207	117,827	65,068	53,448
Even Start - State Educational Agencies	84.213	18	7516	11,528	116,115	124,226	19,639
Improving Teacher Quality State Grants	84.367	74	7507	1,125,175	1,944,550	1,110,318	290,943
Hurricane Education Recovery	84.938	92	7980	-	-	33,948	33,948
				6,409,187	16,362,060	17,463,237	7,510,364
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES:</b>							
Passed Through the Utah Department of Human Services:							
Social Services Block Grant (ATEC)	93.667		8582/8584	67,730	447,692	468,664	88,702
<b>Total federal awards</b>				<b>\$ 6,557,497</b>	<b>\$ 23,393,247</b>	<b>\$ 24,501,336</b>	<b>\$ 7,665,586</b>

The accompanying notes are an integral part of this schedule.

**ALPINE SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**Year Ended June 30, 2006**

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**Note A. General**

The schedule of expenditures of federal awards presents the activity of all federal award programs of Alpine School District (District). The District reporting entity is defined in Note 1 to the District's basic financial statements. All federal financial awards received directly from federal agencies as well as federal financial awards passed through from other government agencies are included on the schedule. Of the federal expenditures presented in the schedule, the District provided no federal awards to subrecipients.

**Note B. Basis of Presentation and Accounting**

The accompanying schedule of expenditures of federal awards includes federal grant activity of the District presented using the modified accrual basis of accounting, the same basis as used by the governmental funds of the District as described in Note 1 to the District's basic financial statements. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Categorical block grants are recorded at the time of receipt or earlier if the susceptible-to-accrual criteria are met. Cost-reimbursement grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met. Donated food commodities are recorded as revenue, at fair value, on the date received by the District.

**Note C. Relationship to District's Financial Statements**

The District also received Medical Assistance Program grant monies from the State of Utah Department of Health; this federal grant is not classified as federal financial assistance. A reconciliation of federal revenue as reported on the District's basic financial statements and the schedule of expenditures of federal awards for the year ended June 30, 2006 is as follows:

General fund	\$ 17,058,571
Other governmental funds:	
Special revenue fund - school lunch	6,569,435
Special revenue fund - non K-12 programs	517,626
Special revenue fund - Alpine Transition & Employment Center	<u>468,664</u>
Total governmental funds	24,614,296
Medical Assistance Program grant monies received from State of Utah Department of Health	<u>(112,960)</u>
Total federal revenue reported on the Schedule of Expenditures of Federal Awards (SEFA)	<u><u>\$ 24,501,336</u></u>



**Independent Auditor's Report on Internal Control Over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with Government Auditing Standards**

Board of Education  
Alpine School District

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alpine School District (the District) as of and for the year ended June 30, 2006, which collectively comprise the Alpine District's basic financial statements and have issued our report thereon dated September 8, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of Alpine School District in a separate letter dated September 22, 2006.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management, the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Squire & Company, PC*

September 8, 2006



Independent Auditor's Report on Compliance With  
Requirements Applicable to Each Major Program and Internal  
Control Over Compliance in Accordance with OMB Circular A-133

Board of Education  
Alpine School District

**Compliance**

We have audited the compliance of Alpine School District (the District) with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the District's management. Our responsibility is to express an opinion on the District's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, Alpine School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

**Internal Control Over Compliance**

The management of the District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

**Schedule of Expenditures of Federal Awards**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Alpine School District as of and for the year ended June 30, 2006, and have issued our report thereon dated September 8, 2006. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise Alpine School District's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the audit committee, management, the Board, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Agui & Company, PC*

September 8, 2006



**ALPINE SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
Year Ended June 30, 2006

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No matters were reported in the prior year.

**ALPINE SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended June 30, 2006

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I. Summary of auditor's results:

*Financial Statements*

Type of auditor's report issued: unqualified

Internal control over financial reporting:

-Material weakness(es) identified? ☐ yes ☒ no

-Reportable condition(s) identified that are not considered to be material weaknesses? ☐ yes ☒ none reported

Noncompliance material to financial statements noted? ☐ yes ☒ no

*Federal Awards*

Internal control over major programs:

-Material weakness(es) identified? ☐ yes ☒ no

-Reportable condition(s) identified that are not considered to be material weakness(es)? ☐ yes ☒ none reported

Type of auditor's report issued on compliance for major programs: unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ☐ yes ☒ no

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.002	Adult Education – State Grant Program
84.010	Title I Grants to Local Educational Agencies
84.367	Improving Teacher Quality State Grants

Dollar threshold used to distinguish between type A and type B programs: \$ 735,040

Auditee qualified as low-risk auditee? ☒ yes ☐ no

II. Financial statement findings:  
No matters were reported.

III. Federal award findings and questioned costs:  
No matters were reported.



Independent Auditor's Report on Legal Compliance in  
Accordance with the *Utah State Legal Compliance Audit Guide*

We have audited the financial statements of Alpine School District as of and for the year ended June 30, 2006 and have issued our report thereon dated September 8, 2006. As part of our audit, we have audited the District's compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions applicable to each of its major state assistance programs as required by the *State of Utah Legal Compliance Audit Guide* for the year ended June 30, 2006. The District received the following major state assistance programs from the State of Utah (each passed through the State Office of Education):

Minimum School Program  
Capital Outlay Foundation

Driver Education  
State Appropriation (UPASS)

The District also received other state grants, which are not required to be audited for specific compliance requirements; however, these grants were subject to test work as part of the audit of the District's financial statements.

Our audit also included test work on the District's compliance with those general compliance requirements identified in the *State of Utah Legal Compliance Audit Guide* including:

Public Debt  
Purchasing Requirements  
Truth in Taxation and Property Tax Limitations

Cash Management  
Budgetary Compliance  
Other General Compliance Issues

The management of the District is responsible for the District's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with requirements referred to above, which are described in the accompanying letter to management. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Alpine School District complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major state assistance programs for the year ended June 30, 2006.

*Agui & Company, PC*

September 8, 2006



Letter to Management

September 8, 2006

Board of Education  
Alpine School District

In planning and performing our audit of the financial statements of Alpine School District for the year ended June 30, 2006, we noted certain matters for your consideration. This letter summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated September 8, 2006, on the financial statements of the District. Also, reportable conditions and material internal control weaknesses, if any, are included in our reports dated September 8, 2006, in accordance with *Government Auditing Standards* and the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

*Individual School Accounting* – We visit approximately one-third of the schools in the District each year. We focus on the areas of financial accounting, equipment management, and membership accounting during each visit. Certain minor exceptions with established guidelines and procedures of the District were noted. We discussed these exceptions with school personnel at the completion of each visit. We have also reported our findings to District management and the audit committee. We encourage continued training of principals and secretaries involved with school accounting.

*Views of Responsible Officials* – We will continue our training process of principals and secretaries. The District's internal auditor is assigned to resolve exceptions noted and visit other schools as deemed necessary.

*Cash Management (3-Day Rule)* – State law requires public funds be deposited daily, but no longer than three days after receipt. Our tests of deposits indicated that certain miscellaneous receipts are being deposited more than three days after receipt. We encourage the District to ensure that cash is deposited as required.

*Views of Responsible Officials* – The business services office complies with the 3-day rule in depositing checks and cash received. However, some checks from other schools/departments within the District have not been remitted to the business services office within three days for deposit in a timely manner. We will continue training and monitoring those who are currently not in compliance with this requirement.

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We will review the status of these comments during our next audit engagement. We have already discussed in detail these comments and suggestions with management and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing recommendations. We appreciated being able to work with District personnel in our audit.

We note those we worked with in the audit and reporting process were very responsive and helpful. We also noted management's ability and sensitivity to display and communicate an appropriate attitude regarding internal control and the financial reporting process.

*Squire & Company, PC*

Squire & Company, PC